

10th Quarterly Report

Progress on Year 2000 Conversion



U.S. Office of Management and Budget

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EXECUTIVE SUMMARY

The 24 large Federal agencies report that 97 percent of their mission critical systems are now Y2K compliant, an increase from 93 percent reported in June. Excluding the Department of Defense, a total of 99 percent of mission critical systems are Y2K compliant. During the remaining months, agencies will focus on three areas: (1) completing work on the remaining three percent -- or 217¹ -- of mission critical systems, including those systems that must be replaced or retired; (2) testing and assuring that Federal programs will successfully operate end-to-end; and (3) preparing for the possibility of disruption by developing and testing business continuity and contingency plans (BCCPs).

The Office of Management and Budget (OMB), in cooperation with John Koskinen, Assistant to the President and Chair of the President's Council on Year 2000 Conversion, continues to work closely with all agencies to ensure that they are prepared to make a smooth transition to the Year 2000. In particular, John Koskinen continues to meet with the heads of selected agencies on a monthly basis in order to ensure continued management focus on the problem.

Of the 24 large agencies, 15 agencies have completed work on 100 percent of their mission critical systems: the Department of Education, the Department of Housing and Urban Development, the Department of the Interior, the Department of Labor, the Department of State, the Department of Veterans Affairs, the Environmental Protection Agency, the Federal Emergency Management Agency, the General Services Administration, the National Aeronautics and Space Administration, the National Science Foundation, the Nuclear Regulatory Commission, the Office of Personnel Management, the Small Business Administration, and the Social Security Administration.

Of the large agencies, nine agencies (the U.S. Department of Agriculture, the U.S. Agency for International Development, the Department of Commerce, the Department of Defense, the Department of Energy, the Department of Health and Human Services, the Department of Justice, the Treasury Department, and the Department of Transportation) still have a combined total of 217 mission critical systems that are not yet Y2K compliant, down from the 410 systems reported as non-compliant in June. Except for the Departments of Defense (161) and Treasury (19), all of these agencies have fewer than 10 non-compliant mission critical systems remaining. Discussion of individual systems is included in the body of this report.

For this report, 47 small and independent agencies reported on their progress. Of these 47, 20 have completed work on their mission critical systems. Detail is provided in Table 3. The small and independent agencies have made progress that is comparable to the large agencies, with 94 percent of their mission critical systems compliant. While many small and independent agencies have made outstanding progress overall, a number of them are behind on their work.

¹ For consistency in reporting, this number reflects the number of unfinished mission critical systems for the 24 large agencies of the CIO Council. Numbers for the small and independent agencies are reported separately.

The report contains information about the incomplete systems of large, small, and independent agencies. These agencies will continue to report to OMB each month on each mission critical system that is not yet compliant until all mission critical systems are compliant.

Agencies are also well along in developing and refining their business continuity and contingency plans (BCCP). Table 2 summarizes the efforts of the large agencies, while Table 3 includes this information and other progress information for small and independent agencies. In order to assess progress, agencies are to submit their updated BCCPs, including their Day One plans, no later than October 15th.

In addition to tracking mission critical systems, OMB has identified 43 High Impact programs, selected for their importance to public health, safety and well-being. The lead Federal agency for each agency is working with partners, such as vendors, contractors, banks, and State governments, to ensure that these partners' systems are Y2K compliant so that the program will function smoothly from end-to-end. Seven of the 43 High Impact programs report that end-to-end testing among all key partners -- both within and outside the government -- is complete and that they have demonstrated their readiness for the Year 2000. Of the remaining programs, eight report that they will complete testing by the end of August, eight report that they will complete testing by the end of September, and 10 report that they will complete testing by the end of October. The last 10 programs are the Federally Supported, State-Run programs, as identified in Section IV (See Table 6). They report that testing will be completed in November and December.

Agencies have also made good progress in assuring that telecommunications, buildings, and data exchanges that they rely on will be Y2K compliant. Table 1 summarizes when such systems will be ready for the large agencies. Table 4 summarizes this information for small and independent agencies.

Agencies now estimate they will spend \$8.34 billion fixing the problem from Fiscal Year 1996 through Fiscal Year 2000, an increase from \$8.05 billion in June 1999.² This increase of \$290 million reflects adjustments as agencies develop improved cost estimates, and as additional work is required for some systems based on testing results. As a rule, estimates do not include the cost of implementing BCCPs. OMB and the Congress continue to work closely with the agencies to ensure that they have adequate funding through reprogramming and allocations from the contingent emergency reserve as necessary.

As less expensive and more effective Y2K compliance testing products enter the markets,

² These estimates include the costs of identifying necessary changes, evaluating the cost effectiveness of making those changes (fix or scrap decisions), making changes, testing systems, and preparing contingencies for failure recovery. They include the costs for fixing both mission critical and non-mission critical systems, as well as fixing non-information technology products and systems such as air conditioning and heating. They include outreach activities to non-Federal entities. They do not include the costs of upgrades or replacements that would otherwise occur as part of the normal systems life cycle. They also do not include the Federal share of the costs for State information systems that support Federal programs.

agencies are conducting additional testing to provide further assurance that systems are ready. All agencies have change management policies in place to ensure that new system changes do not create any new Y2K problems.

**Progress on Year 2000 Conversion
Report of the U.S. Office of Management and Budget
as of August 13, 1999**

I. INTRODUCTION

This report is the tenth in a series of quarterly reports to Congress on the Administration's progress in fixing the Year 2000 ("Y2K") computer problem in Federal agencies. This report summarizes data received on August 13, 1999, from the 24 large agencies that make up the Federal Chief Information Officers' (CIO) Council.³ It also summarizes data from 47 small and independent Federal agencies (See Table 3).

This report builds on previous reports by updating the following: agency progress on fixing mission critical and non-mission critical systems, estimates of costs, and recent Government wide activities. Such activities include addressing the Y2K problem in telecommunications, buildings, biomedical devices and laboratory equipment, and data exchanges with the States. This report continues the focus of OMB and the agencies on three priorities:

- Completing work on all remaining systems.
- Assuring the readiness of outside partners for Federal programs, particularly the 43 High Impact programs.
- Preparing and testing business continuity and contingency plans.

Accordingly, this report indicates which agencies -- whether large, small, or independent -- have not completed work on mission critical systems, describes those unfinished systems, and indicates when they are expected to be compliant. (See Sections II and III.) Agencies are focusing management attention on these systems by prioritizing and diverting resources in order to ensure that the work is finished in time.

This report includes information on the business continuity and contingency plans (BCCPs) for large agencies, including the extent to which such plans have been developed for headquarters, regional, and local offices. (See Table 2.) All agencies, regardless of the readiness of their systems, are developing BCCPs to ensure program delivery in the event of a Y2K problem, whether within or outside of the agency.

This report also summarizes agency plans to ensure that 43 "High Impact" Federal programs will function smoothly through the Year 2000 transition. (See Table 5.) These programs are those where the Federal government has an important role, but works in cooperation with State governments, banks, private companies, and others to provide public

³ Except where noted, the summary data provided in this report refer solely to the 24 agencies.

services. These 43 programs were selected because of their potential direct effect on public safety, health, or well-being.

OMB has directed Federal agencies to take the lead so that these High Impact programs will be ready end-to-end. That is, Federal agencies are looking not only at the readiness of their own mission critical systems, but are working with their partners to help them be ready also. It is essential that all partners in the provision of key public services work together so that there is no disruption at the consumer level. This report provides dates when agencies anticipate completing end-to-end testing on these High Impact programs. Additionally, this report includes information on a State-by-State basis about the readiness of ten key Federally-funded, State-run programs, such as Unemployment Insurance and Medicaid. (See Table 6.)

As in the past, this report updates government wide activities to share information and assist agencies in fixing their data exchanges, telecommunications systems and networks, and buildings systems. In addition, this report includes information on agency status in each of these areas. (See Tables 1 and 4.)

The Administration continues to treat the Y2K challenge with the direct, high-level attention it deserves. The additional attention on the Year 2000 problem by the President, Congress, and the public has resulted in real progress and better understanding of the resources needed. The Year 2000 contingent emergency reserve has helped ensure that agencies have access to funds to facilitate their work.

OMB continues to work closely with the President's Council on Year 2000 Conversion. OMB is closely overseeing efforts to ensure that Federal programs will operate smoothly. The Council is coordinating Federal efforts to reach out to and support efforts to address the Year 2000 problem in the private sector, in State and local governments, and internationally.

This report and all previous reports are available on OMB's web site at [\[www.whitehouse.gov/OMB\]](http://www.whitehouse.gov/OMB), on the web site for the President's Council on Year 2000 Conversion [\[www.y2k.gov\]](http://www.y2k.gov), and on the Federal CIO Council's web site [\[www.cio.gov\]](http://www.cio.gov).⁴

II. LARGE AGENCY PROGRESS

Overall, agencies have made significant progress since the last report, with 97 percent of mission critical systems compliant. Fifteen of the 24 large agencies have completed all of their mission critical systems. As agencies complete work on their mission critical systems, they are focusing greater attention to assuring program delivery, as shown through their work on High Impact Programs and in preparing and testing their BCCPs.

⁴ A list of key Federal Year 2000 web sites may be found in Appendix C.

The 15 agencies that report that 100 percent of their mission critical systems are Y2K compliant are: the Department of Education, the Department of Housing and Urban Development, the Department of the Interior, the Department of Labor, the Department of State, the Department of Veterans Affairs, the Environmental Protection Agency, the Federal Emergency Management Agency, the General Services Administration, the National Aeronautics and Space Administration, the National Science Foundation, the Nuclear Regulatory Commission, the Office of Personnel Management, the Small Business Administration, and the Social Security Administration.

Of the 6,343 mission critical systems at the large agencies, 6,126 – or 97 percent -- are now compliant, an increase from 93 percent reported in June. These compliant systems include those that have been repaired or replaced as well as systems that were already compliant. The number of noncompliant mission critical systems is now 217, down from 410 in the last report. Of the remaining 217 systems, 163 (75 percent) are still being repaired, 33 (15 percent) are being replaced, and 21 (10 percent) are being retired. In addition, most agencies have made excellent progress on fixing non-mission critical systems.

UNFINISHED MISSION CRITICAL SYSTEMS

The nine large agencies with unfinished mission critical systems are: the Department of Agriculture (eight mission critical systems), the Department of Commerce (one), the Department of Defense (169), the Department of Energy (four), the Department of Health and Human Services (three), the Department of Justice (seven), the Department of Transportation (five), the Treasury Department (19), and the U.S. Agency for International Development (one). These agencies will continue to report to OMB on the 15th of each month on their progress on each unfinished mission critical system.

A description of these unfinished mission critical systems to be replaced, repaired, or retired, follows.⁵

Department of Agriculture

Of USDA's 349 mission critical systems, 341 are compliant. USDA has contingency plans for its eight remaining mission critical systems that are not compliant. Of these eight, five are scheduled for retirement on September 30, 1999: two systems in the Farm Service Agency: the Relocation Income Tax Allowance System and Risk Management System, and three systems in the Risk Management Agency: Accounts Receivable System, Debt Management System, and Direct Business Sales Acreage Loss Sales & Service Contractor Interface System. The three systems that are being remediated are:

⁵ OMB tracks progress of mission critical systems to be retired until they have been removed from the agencies' inventories. Systems to be retired are included in the total number of mission critical systems until they are retired, at which point the total number is reduced.

- The Laboratory Information Management System (LIMS) in the Animal and Plant Health Inspection Service (APHIS) is a management information system for laboratories in Iowa, Maryland, and New York. The LIMS system is expected to be fully implemented and in use by September 30, 1999.
- The Financial Accounting and Reporting System in the Foreign Agriculture Service manages internal funds control and reporting. The completion date has been scheduled for October 1, 1999.
- The current Electronic Mailing System in the Food Safety and Inspection Service is being replaced with a new email system. USDA expects the new system to be operational in September.

Department of Commerce

Only one of the Department's 473 mission critical systems is not yet compliant. The National Oceanic and Atmospheric Administration's (NOAA) Office of Aeronautical Charting and Cartography Automated Distribution System (ADS) is an information system for ordering aeronautical charts. It has encountered procurement delays. A new ADS system began acceptance testing and parallel operations on August 2, 1999. The new system will run with the old system while the new system is checked for full functionality. It is scheduled to fully replace the old system by September 30, 1999.

The four other systems reported by the Department in the May quarterly report have been fully implemented and are now certified Y2K compliant.

Department of Defense

The Department of Defense continues to make progress addressing its complex and challenging Year 2000 problem. As of June 30, 92 percent of the Department's 2,253⁶ mission critical systems are Year 2000 compliant -- an increase from 87 percent reported in May. Of the 169 mission critical systems, that remain non-compliant, 141 are being repaired, 18 are to be replaced, and 10 are to be retired. The Department is overseeing the progress of each of these systems through monthly reporting and steering committee meetings chaired by the Deputy Secretary. In addition, the Department reports that 87 percent of its 7,229 non-mission critical systems are now compliant.

⁶ The Department reported for this period a total of 2,414 mission critical systems. Because DoD uses different criteria from other agencies to calculate the number of mission critical systems, the number in this report was adjusted for consistency. The difference is because DoD included in this number 120 systems that have been retired and 41 new systems under long-term development that will either provide new capability or replace already compliant systems in future years.

The Department is conducting the largest, most complex testing effort in its history. Examples range from a massive end-to-end test of logistics supply channels to systems tests conducted within the U.S. European Command while operations were ongoing in Kosovo. Testing in other functional areas, such as finance, communications, intelligence, and medical, will be completed by October. In addition, the Services are conducting integration testing to ensure their ability to carry out their parts of warfighting plans. An example is the successful testing of several weapons systems (e.g. Kiowa, Apache, Hellfire, and Multiple Launch Rocket System) at White Sands. In addition, consistent with requirements in the Defense Authorization and Appropriation Acts, the Department is making sure that all mission critical systems that are expected to be used if the Armed Forces are involved in a conflict in a major theater of war are tested in at least two exercises.

Nevertheless, the interconnection of so many complex systems increases the likelihood that DoD will experience some Y2K difficulties. Therefore, the Department is also focusing on realistic continuity of operations and contingency planning. Using GAO guidelines, DoD promulgated common guidance that requires every system, mission, and function owner to develop and validate system and operational contingency plans. Contingency plans are already in place for virtually all of the mission critical systems that are not yet compliant. These operational plans incorporate both business continuity and contingency planning and continuity of operations considerations.

In addition, the Department is conducting table top exercises to help prepare DOD leadership for the potential impact of Year 2000 on national security. Also, the Chairman of the Joint Chiefs is conducting Exercise Positive Response Year 2000, a national level exercise conducted under scenarios of multiple Y2K failures in order to assess the ability of DOD to respond with timely decisions in a Year 2000 degraded environment.

The Department estimates it will spend \$3.6 billion fixing the Y2K problem, a slight decrease in anticipated costs from the last report. This decrease is due to refinement of requirements and associated costing and minor accounting adjustments. The Department's estimates include planned spending of the full \$1.1 billion Emergency Supplemental funds allocated to DoD for Y2K.

Mission Critical Systems not compliant as of June 30, 1999

The Department's megacenters have mainframe computers operated by the Defense Information Systems Agency. The centers provide information technology services to a variety of other DOD organizations in support functional areas used in combat such as transportation, maintenance, logistics, munitions, spare parts, medical supplies, finance, and military personnel readiness. Because of their importance to so many functions in the Department, these functional areas are being monitored separately by the Deputy Secretary of Defense. The progress of these functional areas is frequently reported to the Deputy Secretary. As of July, 314 of the 344

computer domains in those functional areas were compliant, with the remainder expected to be compliant by the end of the year.

The Department reports that 169 mission critical systems were not compliant as of June 30, 1999. Of those, 10 will be retired prior to the end of the year. The Department plans to remediate the other 159 systems prior to the end of the year. For each of those systems, the Department is closely tracking the status of the system and when the system will be compliant. The Department is tracking implementation of contingency plans. Of the 169 mission critical systems, 53 are classified, so no additional information about them is included in this report. Of the remaining 106 systems, the Department plans to have 61 compliant by the end of August and 90 compliant by the end of September.

Of the 16 systems that are not expected to be finished until after September, nine are scheduled for completion in October, three are scheduled for November, and the final four are scheduled for December, as described below.

Four systems are expected to be finished in December:

- PRIVATEER provides a permanent, integrated threat warning capability onboard Cyclone class Coastal Patrol Combatants and Mark V SOF support vehicles. The system is in the implementation stage. Final implementation has been extended to December because of the timing by which individual platforms will become available from the vendor for installation.
- Special Mission Radio System is still awaiting delivery of Y2K compliant computers.
- The Theater Battle Management Core System V1.0, a command and control system, is being repaired as a contingency plan for another system. This is the first time this system has been included in this report.
- The Titan Centaur – Centaur Ground Computer System is a space and weather system being developed to replace a non-compliant Titan Centaur Computer Controlled Launch Set. The Final launch using the old launch set occurred in April 1999. The next scheduled launch is May 2000. This is the first time this system has been included in this report.

Three systems are expected to be finished in November:

- The DeCA Interim Business System supports a variety of functions such as ordering, receiving, shelf stock replacement, physical inventory, and controls operations. The system has been in the deployment phase since September 1998, but it takes approximately a year for full deployment to occur. This system was previously expected to be completed in October.

- The Unclassified Local Area Network of the European Command is being replaced with a commercial, off-the-shelf product. This system is now in testing after awaiting COTS products.
- The Space Mission Payload Assessment System, of which the mission critical portion is compliant, is awaiting a vendor-built wide band capability.

Nine systems are expected to be finished in October:

- The Forward Area Air Defense Command and Control System will use a communications network to support the forward area air defense mission of a given Army force structure. This system was previously expected to be complete in November.
- The Abrams M1A2 SEP Tank System has a non-operational software error in the clock set-up page on the commander's display. The correction will be fielded with another software fix as an efficiency measure.
- The Standard Installation/Division Personnel System is the Army standard unit level personnel record keeping, management, and reporting system. It is being implemented, but the system is located at many sites, thus prolonging the deployment schedule.
- The Standard Installation/Division of Personnel - 3 System is an integrated military personnel management system which will replace the Standard Installation /Division Personnel System (see above) and provide additional capabilities.
- The EIIIF Low Data Rate Terminal AN/USC-38(V) is a terminal control processor program. Implementation delay is due to platform availability.
- The Joint Service Imagery Processing System of the Navy provides support for precision guided munitions. The system was certified in January and is being deployed according to the ships' schedules.
- LIMS Information Management System is currently in the process of migration from Novell to NT.
- The New Tactical Forecast System is a new systems to replace the Automated Weather Distribution System.
- The Contingency Theater Automated Planning System is a command and control system that is being replaced. However, to mitigate risk, the current system is being repaired as well. Testing will be completed this summer.

One system, the Secret Local Area Network of the European Command, which was previously expected to become compliant in November, has already become compliant. A second system, the EA-6B tactical mission support system, which was previously expected to become compliant in October, is now expected to become compliant in September. In addition, six systems previously reported on, the Distributed Training Technology Project, the Single Chamber Anti-Jam Man-Portable Terminal, the All Source Analysis System Block II RWS, the Force XXI Battle Command Brigade and Below System, the Army Air Defense Systems Integrator, and the Secure Mobile Anti-Jam reliable Tactical-Terminal, are new capabilities that do not have Y2K implications. Therefore, they are not included in this report.

Department of Energy

Of the Department's 420 mission critical systems, only four systems are not yet Y2K compliant. One is in the process of being repaired and three will be retired. The Department has completed contingency plans for all four systems.

At Sandia National Laboratories, the Enhanced Badge Works (EBW) system, which is the identification and access control system for the Lab, is not Y2K compliant, and implementation of a fully compliant system was not anticipated until August 22, 1999. However, the Badge Office has a well-documented contingency plan with triggers set to revert to a manual process if the Y2K compliant system is not ready on time.

The three systems that remain to be retired are in two locations -- Sandia National Labs and the DOE Office of Intelligence. The two Sandia systems are the Access & Clearance System (A&CS), which is scheduled to be retired by August 31, 1999, and the Integrated Procurement System (IPS), scheduled for retirement by October 1, 1999. The Office of Intelligence plans to retire one system, the Secure Automated Messaging Processor (SCAMP), by August 31, 1999. This date has slipped due to delays in implementing alternative system capability.

Department of Health and Human Services

In the last quarterly report, HHS reported that two systems that were not yet compliant and were being remediated. Also in the last report, HHS reported that 6 systems were to be retired. As of this report, one of those six has not yet been retired, a CDC system which is scheduled for retirement in October. Since the last report, the Payment Management System (PMS) operated by the Program Support Center (PSC) was made compliant. The Indian Health Service's Resource and Patient Management Systems (RPMS) remains non-compliant, and a new system, CSENet at the Administration for Children and Families (ACF), was found to need additional repair after independent validation and testing. The two systems being remediated are:

Last quarter, the Indian Health Service reported that the Resource and Patient Management Systems (RPMS) was scheduled to be compliant by the end of June 1999. The target date set for remediating the system for Tribal and Urban facilities has slipped from June

30, 1999, to sometime in September. The RPMS is the heart of the medical facilities information resource management activities for the IHS and its Tribal and urban health programs. IHS provides care through direct facilities and through Tribal and Urban facilities. IHS rolled-out a Y2K compliant RMPS to the direct facilities June 30, 1999. As of this quarter, 25 of 166 Tribal and urban facilities remain to be implemented for RMPS to achieve 100 percent Y2K compliance.

In May 1997, Administration of Children and Families assessed the CSEnet system as Y2K compliant. CSEnet is a Federally-owned computer network used by States to track and exchange information on interstate child support enforcement activities. In this quarter's report, ACF noted that, when independent validation and verification was conducted on the CSEnet system, it was found to be non-compliant. The IV&V contractor revealed three problems with CSEnet: 1) the CSEnet hardware needed to be upgraded to become Y2K compliant; 2) the operating system for the CSEnet host was not Y2K compliant and had to be upgraded (through a patch or new version); and 3) CSEnet was dependent on a non-compliant telecommunications data network. Following the IV&V, in June 1999, the Office of Child Support Enforcement made the determination that CSEnet had to be "re-engineered" to become compliant. The decision to re-engineer CSEnet places CSEnet in the "Number to be Repaired" column. CSEnet is expected to be fully implemented by September 15, 1999, and IV&V will be completed by September 30, 1999. The ACF Y2K Team is closely monitoring the new CSEnet development and is conducting a series of weekly meetings with CSEnet project leaders.

Department of Justice

Justice reports that seven of its 217 mission critical systems are not compliant. That is a reduction of 10 systems since the last quarterly report. However, two of these systems, the United States Marshals Service Standardized Tracking and Reporting Systems (STARS) and the Drug Enforcement Administration's Firebird office automation, are new for this report. The seven non-compliant systems are either basic office automation, general internal information management-type systems, or intragency networks.

- The FBI's legal attaché technical architecture is not scheduled for completion until December 1999. This system is essentially basic office automation for the FBI's overseas offices and fell behind schedule partly due to a disruption in the acquisition plans for an FBI-wide information sharing initiative. Fifteen of the 35 legal attaches (45 percent) now have at least one compliant work station. Contingency planning appears to be limited to creating procedural (manual) work-arounds should compliance not be achieved by January.
- The Network for Information and Telecommunications Exchange (IGNITE) in the Department's Office of the Inspector General is now scheduled for completion in October 1999, ahead of the December date reported previously. Six of 14 field offices are now compliant. This system interconnects the OIG personnel in Justice offices throughout the country. A contingency plan has been developed and approved by an IV&V contractor.

- Scheduled compliance for one Tax Division system, Phoenix Office Automation has now slipped to December 1999. A contingency plan was said to be scheduled for completion during the last quarter but is now not scheduled to be completed until October 1999.
- The completion date of August for the Executive Office of United States Trustees (ACUS) system that tracks bankruptcy cases has now slipped to October 31, 1999. Contingency plans are reported to be in place.
- Justice Management Division's library system (DataLib), which is used to order legal publications, was to have been replaced by a new system, but now is being renovated instead. The scheduled completion had been set for July, but was rescheduled for August 31, 1999. A contingency plan is said to be in place.
- The Drug Enforcement Administration's Firebird office automation is scheduled to be completed in December 1999. Seven of 83 foreign offices have received the Firebird System and are compliant. The number of compliant domestic locations was not reported.
- The United States Marshals Service (USMS) Standardized Tracking and Reporting Systems (STARS) tracks financial information such as payments of USMS obligations. STARS is scheduled to be completed by October 1, 1999. The contingency plan appears to focus on manual tracking of financial information.

Department of Transportation

As of this reporting period, the Department has identified 609 mission critical systems, an increase of one from the previous report. The added system is a mission critical, Y2K compliant, classified system belonging to FAA. Of the 609 mission critical systems at the Department of Transportation, all but five systems, which belong to the Coast Guard, are compliant. This is down from 47 non-compliant systems agency-wide as of the last quarterly report. The Federal Aviation Administration, the Bureau of Transportation Statistics, and all other Department offices have completed remediation efforts. End-to-end testing of completed systems has been performed, with additional monitoring and testing to be done through the transition. All Department offices have business continuity and contingency plans in place.

The five Coast Guard systems not yet compliant are as follows:

- Three of five elements of the Short Range Aids to Navigation System (SRAN) are expected to be compliant by September 30, as the installment schedule for compliant components is completed. The SRAN is used to monitor and track the operational status of navigation aids and to identify those in need of repair. The contingency plan calls for local personnel to monitor the navigation aids in their area of operation rather than the system automatically reporting malfunctions.
- The Command and Control Personal Computer (C2PC) system is expected to be

compliant by September 30 as installment of compliant equipment is completed. The system is used to map and track search and rescue patterns. The contingency plan calls for personnel to manually plot search area coordinates on maps at the local Rescue Coordination Centers and pass those plots along to the search and rescue resources.

- The Differential Global Positioning System (DGPS) is expected to be fully compliant by August 31, upon deployment of compliant components to the final two sites. In the event of a delay in deployment, the contingency plan is to repair the existing equipment at the two remaining locations. The repair effort is expected to be minor and has successfully been performed at other locations.

Treasury Department

Treasury is reporting 338 total mission critical systems, an increase from the last report of 14 mission critical systems. These 14 systems are classified intelligence systems that had previously been reported in a classified report to OMB. A total of 19 systems are not Y2K compliant. Of this 19, 16 unclassified systems and one classified mission critical system are still being repaired or replaced, while two unclassified systems are being retired. Overall, Treasury reports the following unfinished systems:

- The IRS' Appeals Automation Environment provides inventory and management information to document and track taxpayer appeals. The contingency plan was completed in May of 1999, and the system has been scheduled for implementation in September 1999.

- The IRS' Combined Annual Wage Reporting (CAWR) system generates reports concerning W-3/W-3G annual wage data. The contingency plan for this system is contained within the IRS critical business processes contingency plan. Completion for CAWR is scheduled before October 31, 1999.

- The EOSCO NSA in the IRS supports a number of functions, including tracking estate taxes, Electronic Filing extracts, tax protestors, erroneous refunds, temporary social security numbers, on-line access to print files, and certified transcripts. Completion is scheduled for September 30, 1999.

- The Trust Fund Recovery Program (TFRP) is an IRS system that computes the amount of trust fund recovery penalty to be assessed against responsible officials in defunct corporations. Completion is scheduled for September 30, 1999.

- The Plastic Card Network (PCN) in the FMS is a credit card service provided by a network of two financial institutions that accepts credit, debit, and charge accounts in

exchange for goods and services provided by Federal agencies. FMS has conducted numerous meetings with senior officials from the Plastic Card Collection Banks to determine that the system should be compliant by September 1999.

- CLAIMS processes and tracks claims of non-receipt, Automated Clearinghouse (ACH) reclamations and a variety of other check and ACH actions. The Courtesy Disbursement system is an adjunct of CLAIMS and is used in claims cases to issue replacement checks. Both systems were scheduled to complete validation testing and implementation by the end of May. Both of these FMS systems applications are Y2K compliant. However, they are being migrated from the VSE to the MVS operating system. They were fully deployed at the Birmingham location in early July. These systems will not be considered completed until implemented in a second location.
- The Federal Excise Tax (FET) system in BATF manages the collection of Federal excise taxes on alcohol, tobacco, and firearms. This is a replacement system. FET is scheduled for completion by August 31, 1999. A contingency plan is in place.
- The Firearms Licensing System (FLS) in BATF processes Federal firearms licenses, Federal explosive licenses, letters, and electronic data for out-of-business dealers. FLS is expected to be compliant in August of 1999.
- The Treasury Telecommunications System (TCS), located in the CIO/Corporate Systems Management Office, is a nationwide data network serving all Treasury bureaus and other Federal agencies. It is the largest secure, private, wide area network in the civilian U.S. Government. TCS is expected to be compliant by September 9, 1999.
- The Office of the Inspector General (OIG) is in the process of upgrading its infrastructure, which includes the desktop systems, network security, the desktop office suite software, and other components. The system is scheduled for completion by September 1999.
- The OIG's Management Information System (MIS) for audits is compliant and has been scheduled for a nationwide implementation date of September 1999.
- OIG's Messaging system must be upgraded. The application software, Microsoft Exchange, is being installed, and the system is expected to be compliant by September of 1999.
- The Secret Service is replacing three systems, PROTECT, MASCOT, and PROTAR, with the Protective Research Information Systems Management (PRISM). PRISM will integrate the functionality of all three systems and add some additional functionality. The new system provides the capability to conduct free-form text searches as well as relational queries of data to assist the Secret Service in development of assessments in support of their protective mission. Treasury expects to implement PRISM in August

1999. Contingency plans are in place.

U.S. Agency for International Development

AID has seven mission critical systems, of which one is not yet Y2K compliant. The New Management System (NMS) is being repaired and is expected to be compliant by October 1999. In addition, a contingency plan is in place to deal with any unexpected Y2K disruptions in this system.

NMS is a suite of administrative systems for USAID's Washington office that includes accounting, acquisition and assistance, budget, and operations function. It has had underlying implementation problems unrelated to Y2K. NMS was scheduled to be compliant by July 1999. However, the testing plan for validation was inadequate and had to be strengthened, and the pace of error correction in the software did not meet expectations. AID developed a new testing plan, and contractor staff reassignment is improving the rate of correction. Implementation of Y2K corrections in October ensures that there will be not disruption to fiscal year-end accounting.

During the previous quarter, AID completed implementation of the Field Accounting System and the Payroll System. The Financial Accounting & Control System (FACS) was replaced by functions in the Field Accounting System and the New Management System.

National Aeronautics and Space Administration

As of August 15, 1999, NASA has completed implementation of its mission critical systems. Two systems were described in the May report to Congress. The Peripheral Processor System is a ground system composed of several components to support the Space Shuttle and SpaceLab. The last non-compliant component of this system was retired in early August. The Solar and Heliospheric Observatory (SOHO) Spacecraft Ground System supports the SOHO spacecraft. On June 24, 1998, ground controllers lost contact with the SOHO spacecraft during maintenance operations, such that all resources were focused on spacecraft recovery, thus deferring Y2K-related work. SOHO was recovered, and NASA completed implementation of the Y2K-compliant SOHO ground systems in June 1999. In addition, NASA has also implemented corrective actions to approximately 99 percent of its non-mission critical systems needing repair.

DATA EXCHANGES, TELECOMMUNICATIONS, AND BUILDINGS

For the past two years, agencies have been participating in interagency working groups to ensure the readiness of their telecommunications systems and networks, their buildings' systems, and their data exchanges. Agencies have made substantial progress in these areas.

Table 1 summarizes the readiness of agencies' data exchanges, telecommunications networks and systems, and buildings, regardless of who owns or manages them. "Done" indicates that all work has been completed. Months indicate when all work in that area is expected to be complete. A dash (–) means no date was reported. This table shows the last

date of completion for each area. Data exchanges include exchanges with other Federal agencies, the States, foreign governments, and private sector entities.

**Table 1 – Large Agency Readiness of
Data Exchanges, Telecommunications, and Buildings**

Agency	Exchanges	Telecom	Buildings
Agriculture	Sep	Sep	Sep
Commerce	Done	Oct	Oct
Defense	– ⁷	Nov ⁸	Oct
Education	Done	Done	–
Energy	Aug	Sep	Sep
Health and Human Services	Done	Oct	Nov
Housing and Urban Development	Done	Done	Done ⁹
Interior	Done	Sep	Aug ⁹
Justice	Dec	Dec	Dec
Labor	Done	Nov	Done ⁹
State	Sep	Done ¹⁰	Done
Transportation	Nov	Sep	Oct
Treasury	Dec	Sep	Sep
Veterans Affairs	Aug	Aug	Oct
Environmental Protection Agency	Nov	Sep	Sep
NASA	Oct	Sep	Done
Social Security Administration	Sep	Aug	Sep
Agency for International Development	Done	Done ¹⁰	Nov

⁷ DOD reports that 93 percent of its affected data exchanges are compliant but is unable to forecast the completion date for the remaining seven percent.

⁸ Mission critical telecommunications.

⁹ For buildings owned, operated, or leased directly by the agency.

¹⁰ Domestic and command and control communications are compliant. Back-up capability is being acquired for telecommunications at high risk posts overseas.

Agency	Exchanges	Telecom	Buildings
Federal Emergency Management Agency	Dec	Done	Done
General Services Administration	Done	Sep	Oct ¹¹
National Science Foundation	Oct	Done	Sep
Nuclear Regulatory Commission	Done	Done	Done
Office of Personnel Management	Sep	Done	Sep ⁹
Small Business Administration	Sep	Sep	Done

BUSINESS CONTINUITY AND CONTINGENCY PLANNING

All agencies, regardless of their progress on Y2K remediation of their systems, are preparing business continuity and contingency plans (BCCPs). BCCPs are necessary because there is still a possibility that, despite extensive testing, problems will occur, whether in the millions of lines of code that were fixed, in overlooked embedded chips, or in commercial products. In addition, failures in the systems of external entities (such as data partners, service providers, or contractors) could affect an agency's operations.

All agencies are following GAO's guidance, "Year 2000 Computing Crisis: Business Continuity and Contingency Planning."¹² Within this guidance, agencies have taken somewhat varied approaches to developing their BCCPs depending on the size, mission, and organization of the agency.

In May, OMB identified a number of risk areas for which agencies should make common assumptions in OMB Memorandum 99-16, "Business Continuity and Contingency Planning for the Year 2000," (May 13, 1999). Agencies are assuming, for purposes of preparing their business continuity and contingency plans, that electric power, natural gas, water service, waste treatment, financial services, transportation, public voice and data communications, mail service, and the mass media will be available domestically, although it is possible that there will be localized disruptions in some areas.¹³ Each regional and field office should work with its local provider to assure that these assumptions are true for their local planning.

¹¹ Date for GSA owned buildings. Dates for leased buildings are being determined.

¹² See GAO report, a shared effort with the Year 2000 Committee of the CIO Council, "Year 2000 Computing Crisis: Business Continuity and Contingency Planning." July, 1998; GAO/AIMD-10.1.19. In addition, model BCCPs, including that of the Social Security Administration, were shared with other agencies as models.

¹³ Initial assumptions of OMB and the agencies had been that the Internet would be available. Subsequently, some questions were raised about this assertion, and OMB undertook additional research into this area. OMB's findings, in cooperation with Internet Service Providers, is that the core services of the Internet will be ready.

The memo also identified a number of risk areas that each agency should address in its plans, including Internet Systems, commercial products, suppliers, data exchanges, and anticipated response by the agency's constituency. In addition to the risks identified by OMB, agencies are factoring into these risk assessments the level of readiness of their systems, the likelihood of failure, and the degree of impact disruption or failure would have on the agency's core functions.

Agencies are also preparing for the unlikely event of significant disruptions due to Y2K. Every agency is already required to have continuity of operations plans (COOPs) in place to respond to any kind of emergency, whether caused by weather, terrorists, or Y2K, that could damage local infrastructure, communications, or buildings. Developers of agency BCCPs are coordinating closely with those who develop agency COOPs to ensure that all contingencies are planned for with minimal overlap.

Another significant aspect of business continuity and contingency planning are day one plans (also known as day zero plans). Day one plans include those processes and plans made in the days immediately preceding and following January 1, 2000 to ensure readiness. Such processes may include arranging for key personnel to be on duty or on call during this period, backing up systems, and final testing of systems both before and after the date change. Agencies are working on these as part of their BCCPs. In order to assess progress, agencies are to submit their updated BCCPs, including their Day one plans, no later than October 15th.

The following table summarizes agency BCCP efforts. It indicates whether a headquarters BCCP is in place, the number of regional and local BCCPs that the agency intends to develop, and how many of such plans are in place. The Table also includes comments on the state of agencies' planning. While a headquarters plan should provide an overview of the agency's work from a central perspective, it is important that regional and local offices, where they exist, have their own plans in place.

**Table 2 – Summary of Large Agency
Business Continuity and Contingency Plans**

Agency	Plan for Headquarters Office?	Number of Other Offices Requiring Plans	Number of Plans in Place	Comments
Agriculture	Yes	6,368	6,299	Each agency mission areas has its own BCCP. All met the requirement of developing and submitting a copy of their BCCP for review by October 30, 1998. USDA has completed 99 percent of its BCCPs for local offices.
Commerce	Yes	11	11	A single overall plan is supplemented with brief Bureau-specific plan summaries. Risks for external data exchange with partners are not always addressed.
Defense	Yes	2,096 ¹⁴	1,971 ¹⁴	The Department is preparing two types of plans: System contingency plans for all date-aware mission critical systems, and Operational contingency plans to assure a minimal level of capability for each DOD entity. Overseas planning is being coordinated with the State Department and other Federal agencies. The Department is appropriately making conservative assumptions about the availability of infrastructure, given its mission. DOD is performing table top exercises for its leadership and is conducting a series of command post exercises to assess DOD's response in a degraded Year 2000 environment.
Education	Yes	0	0	Each Education Office has submitted individual BCCPs, each providing a detailed listing of possible risk scenarios. Some of the assumptions address the OMB guidance while making opposite assumptions -- Student Financial Aid and the Impact Aid Program make assumptions that electrical power may fail.

¹⁴ System Contingency Plans

Agency	Plan for Headquarters Office?	Number of Other Offices Requiring Plans	Number of Plans in Place	Comments
Energy	No	42	5	The Department indicated that all BCCPs would be completed by August 30, 1999. At the time of data submission, the Department indicated that five sites have final plans in place, and 32 sites have draft plans in place. DOE plans to conduct a Y2K drill during September 8-9, 1999. In the drill, sites are required to test all or components of their BCCP, rehearse day one plans, and test reporting requirements and communication capabilities for reporting Y2K-related events to headquarters. Sites are currently preparing their scenarios for the drill, and preliminary results from the drill will be available on September 10, 1999.
Health and Human Services	Yes	469	412 ¹⁵	HHS has BCCPs for the Office of the Secretary and all Operating Divisions. Many of the assumptions and risks are implicit with the BCCPs of the agencies. Most divisions have finalized their BCCPs with HRSA continuing work on developing its BCCP. All IHS controlled facilities have BCCPs. IHS continues to work with Tribes to develop BCCPs for Tribal facilities. Ninety-seven percent of Tribal Facilities have yet to complete development of their BCCPs.
Housing and Urban Development	Yes	30	30	HUD's plan was submitted in March 1999 and covers broad areas of risk and contingencies. It works within a set of detailed contingency plans that span the core business functions of the agency. These plans were last updated in July and will be updated four more times before the end of the year. As an

¹⁵ The Administration on Aging (AoA) has 10 regional offices, however none of the regional offices are involved in making grant awards – which is considered the critical business function of AoA -- and therefore AoA reports 0 regional offices with BCCPs.

Agency	Plan for Headquarters Office?	Number of Other Offices Requiring Plans	Number of Plans in Place	Comments
				early version, it does not provide extensive detail, but it does address the core business functions of the agency. HUD is working to integrate its BCCP and its COOP with regard to Y2K. The updated plan is expected by September 30, 1999. The assumptions identified by OMB are implied in the plan. With regard to risk areas, HUD's Risk Analysis addresses internal systems and data exchanges. Risks associated with suppliers, commercial products, and constituency outreach are not thoroughly addressed.
Interior	Yes	110	110	Interior requires that all facilities, where activities take place, have viable continuity of operation plans. A first draft of those plans was submitted in August 1999. Each field office has determined its own risks, assumptions, and essential business activities that support national, core business functions. OMB is working with the Department to ensure that these plans fulfill the function and purpose of a BCCP.
Justice	Yes	Not Reported	Not Reported	The overall level and quality of effort for local and regional office BCCPs is difficult to determine from the Justice report (and follow-up data provided) as it is incomplete and lacks adequate detail to support objective analysis. The report reveals varying levels of BCCP activity at four Justice components: 1) the Justice Management Division; 2) the FBI (GAO found that the Bureau is not managing its efforts in accordance with GAO guidance); 3) DEA (GAO reports that the DEA efforts satisfy most key processes); and 4) the Bureau of Prisons (GAO reviewed BOP's Y2K efforts in January 1999, but such review did not include BCCP efforts). While the BOP is engaged in BCCP efforts at some field offices, because Justice did not provide the total number of BOP field offices or the number of those offices engaged in BCCP activities, it is unclear if activities are adequate. The report also indicates that other Justice components, i.e., US Marshals Service, INS, United States Attorneys, and United States Trustees were advised by the Department on September 2, 1999, "to immediately develop and test a BCCP using GAO guidelines." The report makes no mention of BCCP coordination with agency COOP plans,

Agency	Plan for Headquarters Office?	Number of Other Offices Requiring Plans	Number of Plans in Place	Comments
				and many of the Justice BCCP activities address only the question of internal systems.
Labor	Yes	10	10	The BCCP focuses on six core services and illustrates a number of potential threats to service delivery, actions taken to mitigate those risks, and procedures for providing services if those threats materialize. The BCCP also addresses contingencies for financial services and mass media.
State	Yes	90 + embassies and consulates	All	The BCCP provides an overview of the Department's areas of planning and covers the Department's core business functions. However, the BCCP is too high level to determine if risks have been fully addressed. Follow-up with the Department has determined that more specific plans have been developed for each area of planning. In addition, the Department is leading an active inter-agency process to address overseas planning. The Emergency Coordinator in charge of the COOP is an integral participant in Department BCCP planning process.
Transportation	Yes	11	11	Each Bureau has detailed individual plans. The FAA plan is comprehensive. The Coast Guard plan makes conservative assumptions regarding power and telecommunications availability in remote locations.
Treasury	Yes	14	14	The Department is re-prioritizing business functions after submission of an initial headquarters BCCP. The identification of risks needs to evolve further after a final prioritization is done. Treasury anticipates that all bureaus will have completed testing BCCPs in October 1999.
Veterans Affairs	Yes	230	230	BCCPs were completed for all regional offices and health care facilities in May 1999. BCCPs center on core business functions of health care and benefits delivery. As additional information is provided on such services as water and electricity, the BCCPs will be updated.
Environmental	Yes	21	Have been	The BCCP identifies the agency's core business functions. EPA is

Agency	Plan for Headquarters Office?	Number of Other Offices Requiring Plans	Number of Plans in Place	Comments
Protection Agency			started, will be finished in September	coordinating its BCCP with its COOP. EPA addresses assumptions identified by OMB, conservatively. The risks portion of the EPA BCCP contains implicit discussions of the risks identified by OMB. A more detailed plan will be available in September.
NASA	Yes	11	11	A comprehensive agency-wide plan builds on existing procedures established to deal with unanticipated system failures.
Social Security Administration	Yes	73 plans (cover 1700 offices)	73	The agency has an excellent plan that has been used as government-wide model. The plan lays out core functions and includes day one plans. The plan also appropriately addresses infrastructure failures due to criticality of SSA mission. Work continues on SSA's COOP plan.
Agency for International Development	Yes	About 80 overseas posts	All	AID's plan addresses its core business functions. BCCP planning is coordinated with the existing COOP. In addition, relevant COOP elements are being reviewed to ensure they address possible Y2K related incidents. For domestic functions, AID adopts OMB assumptions on possible external failures and is working with its international partners to develop appropriate assumptions in that sphere. The plan makes no mention of OMB identified risks and it is unclear if they have been implicitly assumed.
Federal Emergency Management Agency	Yes	11	11	FEMA has identified its core functions and the most critical activities within those functions. FEMA plans to test back-up operations later this year. FEMA's operation is essential to the Federal government's ability to respond effectively to Y2K's impact domestically, as well as to other emergencies that might occur concurrently with Y2K (e.g. storm or earthquake).
General Services Administration	Yes	19	19	GSA recognizes that it provides services integral to the operation of other Federal agencies -- which they will be depending upon in January. Therefore, GSA has vigorously approached the Y2K problem generally and continuity of business planning in particular. GSA's BCCP lays out its core functions and follows OMB and GAO guidance. Recently, GSA ran a nation-wide table top

Agency	Plan for Headquarters Office?	Number of Other Offices Requiring Plans	Number of Plans in Place	Comments
				exercise involving over 300 individuals to test its day one plan. The exercise, which was observed by GSA's Inspector General and a customer agency, demonstrated that the plan is solid. A second exercise is being planned for later this year.
National Science Foundation	Yes	0	N/A	NSF's core business functions consist of processing grant applications and awarding grants. The high level BCCP states that detailed plans for manual work-arounds for these activities are in place. In the event of systems failures, data will be manually logged in order to update IT systems later. The agency's BCCP is coordinated with its COOP.
Nuclear Regulatory Commission	Yes	4	0	The BCCP has been written at headquarters but is applied agency-wide. The BCCP deals solely with mission critical systems and core functions, which are located at headquarters. The BCCP includes systems work-arounds for responding to nuclear incidents.. The Day One plan is in place for the Operations Center at headquarters. A separate, agency-wide plan that incorporates the needs of the agency's four regional offices that are distinct from headquarters is still under development. Although not yet complete, this plan will address preparedness for non-mission critical systems and for non-core functions. The plan includes day one planning for these areas and risk mitigation steps.
Office of Personnel Management	Yes	5	5	The agency's plan lays out OPM's core functions, follows OMB and GAO guidance, and has been tested. OPM is working on its COOP plan.
Small Business Administration	Yes	70	62	Ten regional offices are co-located with 70 district offices and share a BCCP. Sixty-two of the district plans have been shared with headquarters, while the remaining 8 were expected by August 27. Two commercial loan servicing centers, 2 business processing centers, and 4 disaster home loan servicing centers are incorporated in the headquarters' BCCP. Testing of the district office plans is being conducted locally, and an agency wide test of the BCCP

Agency	Plan for Headquarters Office?	Number of Other Offices Requiring Plans	Number of Plans in Place	Comments
				is planned for October. The agency's BCCP is coordinated with its COOP.

III SMALL AND INDEPENDENT AGENCIES

For this report, 47 small and independent agencies provided information to OMB. Those agencies that are not listed below as having their mission critical systems compliant will report again in November on progress. A total of 20 small and independent agencies have now reported that their mission critical systems are Y2K compliant, an increase of five agencies since the last report. The five agencies that now report that their mission critical systems are Y2K compliant are the Federal Housing Finance Board, the John F. Kennedy Center for the Performing Arts, the Office of the U.S. Trade Representative (Executive Office of the President), the Peace Corps, and the Pension Benefit Guaranty Corporation.

The Fifteen agencies previously reported as having completed work on their mission critical systems are: the African Development Foundation, the Export/Import Bank of the United States, the Federal Deposit Insurance Corporation, the Federal Energy Regulatory Commission, the Federal Reserve Board, the Federal Retirement Thrift Investment Board, the Legal Services Corporation, the National Credit Union Administration, the National Labor Relations Board, the National Transportation Safety Board, the Neighborhood Reinvestment Corporation, the Railroad Retirement Board, the Selective Service System, the U.S. Commodity Futures Trading Commission, and the U.S. Holocaust Memorial Council.

Two agencies previously reported as compliant have now reported that work still remains. These agencies are the United States International Trade Commission and the U.S. Consumer Product Safety Commission.

Summary information about each of the 47 agencies, including total numbers of mission critical systems, estimated cost of compliance, and overall progress and concerns are included in Table 3.

UNFINISHED MISSION CRITICAL SYSTEMS

The 47 small and independent agencies report a total of 1,527 mission critical systems. Of these, 1,428 (94 percent) are compliant. The 99 mission critical systems that are not yet compliant are described below along with information about when they will become compliant.

The small and independent agencies estimate that 98 percent of their mission critical systems will be compliant by the end of September; 99.5 percent will be compliant by the end of October; and 99.9 percent will be compliant by the end of November. Following are descriptions of unfinished mission critical systems for small and independent agencies.

Architectural and Transportation Compliance Board

The Board is an independent Federal agency which develops minimum guidelines and requirements for standards issued under the Americans with Disabilities Act (ADA) and the Architecture Barriers Act (ABA). The board has five mission critical systems of which four are compliant. The remaining system, the Complaint Tracking System (CTS) is used by the Board to assist in investigations of complaints filed under the ABA. CTS is being replaced and is expected to be Y2K compliant by September.

Armed Forces Retirement Home

The Armed Forces Retirement Home oversees the U.S. Soldiers' and Airmen's Home (USSHA) in Washington, D.C. and the U.S. Naval Home (USNH) in Gulfport, Mississippi. Of the Home's six mission critical systems, five are compliant and one system, the Open Systems Accounts Receivable, is to be replaced. Installation, data conversion, and testing of this last system is scheduled to begin in August and to be completed by September. There is no contingency plan in place in the event of failure.

Committee for Purchase from People who are Blind or Severely Disabled

The Committee promotes the Federal Government's purchase of products made, or services performed, by blind or severely disabled people. The Committee has four mission critical systems, three of which are compliant. The outstanding non-compliant mission critical system is the Javits Wagner O'Day Program (JWOD) Information Database, the main information management database system. This database determines the products and services suitable for the Committee's work, maintains a list of designated products and services, determines fair market prices and price changes, and maintains a list of nonprofit agencies. A contingency plan is in place, which calls for buying and using spreadsheet/word processing programs to continue processing input. Should the contingency plan have to be implemented, the data will then be added to the database when it resumes operation. This system will be compliant and fully deployed in November.

Corporation for National Service

The Corporation for National Service matches talented, motivated people with opportunities to serve their community and the nation. Created in 1993, the Corporation for National Service is a public-private partnership that oversees three national service initiatives: Americorps, Learn and Serve America, and National Senior Service Corporation. The Corporation reports four systems that are not yet compliant. All four are related to their financial management systems and all four are to be compliant in September.

- The Momentum system is their new financial management system that will go on-line in September. The system was supposed to have been compliant by August but there were

data conversion difficulties. The contingency plan, if problems with data conversion persist, is to begin use of this system at the start of the new fiscal year and convert the existing year data as summary data for historical purposes only.

- The NFC Interface is the payroll interface with the Momentum system. The Corporation acknowledges the work that NFC has done in becoming Y2K compliant but will not report that the interface is compliant until they have tested the interface with the new Momentum system.
- HHS Payment Management Interface is the system the Corporation uses to provide funding to its grantees. Similar to the previous system, the Corporation acknowledges the work that HHS has done in becoming Y2K compliant but will not report that the interface is compliant until they have tested the interface with the new Momentum system.
- The Treasury Interface system is used to process its payment data. The interface is already being used to process data directly to Treasury for payment, and the resulting payment information is being stored for later import into Momentum. It will not be compliant until tested with the Momentum system.

Courts Services and Offender Supervisory Agency for the District of Columbia

The Court Services and Offender Supervisory Agency (CSOSA) is a federally funded District of Columbia entity and is slated to become a Federal Agency on or before August 5, 2000, as required by Section 11232 on the National Capital Revitalization and Self-Government Improvement Act of 1997. CSOSA is responsible for the functions of DC's Pretrial Service Agency, Adult Probation Services and the supervisory function of the D.C. Board of Parole.

CSOSA has four mission critical systems. These four systems will eventually be integrated into and replaced by Pretrial Real-time Information Systems Manager (PRISM). PRISM will provide information on pre-trial defendants and offenders on parole or probation and will include offender photographs, compliance information, criminal histories, and addresses. In the interim, however, these four systems are individually being made compliant. The four existing systems are:

- Automated Bail Agency Database (ABA DABA) tracks case, personal, and supervisory information for defendants under Pretrial supervision. This system should be compliant by early November.
- Probation Automated Reporting System (PARS) is a probation system that tracks case and restitution information for defendants under Probation supervision. This system is scheduled for compliance in October.

- Parole Information System (PARIS) is a parole system that tracks case, personal, and supervision information for people under Parole supervision. This system is scheduled to be compliant by October 1, 1999.
- Drug Testing Management System (DTMS) is a pretrial system that automates drug testing of clients for Pretrial, Probation, and Parole. This system is scheduled to be compliant by October 1, 1999.

Equal Employment Opportunity Commission

The Equal Employment Opportunity Commission (EEOC) promotes equal opportunity in employment through administrative and judicial enforcement of the federal civil rights laws and through education and technical assistance.

EEOC has nine mission critical systems, of which seven are reported as Y2K compliant. The two remaining non-compliant systems have contingency plans in place. One, the Charge Data System (CDS), is being tested and is expected to be Y2K compliant by September 30. The other, the Office Automation System, consists of workstations, PCs, and local area networks. Work continues on this system, and a contingency plan is in place. Compliance is expected by September 30.

Farm Credit Administration

The Farm Credit Administration (FCA) is responsible for the regulation and examination of the banks, associations, and related entities that collectively comprise the Farm Credit System, including the Federal Agricultural Mortgage Corporation (Farmer Mac).

The FCA, as of the last Y2K report, had anticipated that all mission critical systems would be compliant by July. Of the 28 mission critical systems, 25 are now compliant. One new mission critical system, FINASST, the agency's financial management system, has been added to the list because it is scheduled to be implemented prior to year-end.

- The FCA's new financial management system, which runs the general ledger, will be compliant by September 30. The testing of this system is near completion. No specifics of the contingency plan were available.
- The network server management system, SMS/SQL, will be compliant by August 31. The software upgrades have been received from Microsoft and are now being tested. The server connects four field offices with the headquarters office. The contingency plan is to manually distribute software upgrades.
- The Electronic Funds Transfer System (ECS) interfaces with Treasury to allow Treasury to make disbursements on behalf of FCA to vendors. Treasury reported compliance

problems with the mainframe hardware that would require that the program be relocated to another platform and the software be rewritten. No date was given for when this system would become compliant or how the FCA was taking action on this item. No contingency plans were evident.

Federal Communications Commission

The Federal Communications Commission's mission is to encourage competition in communications and to promote and support access for every American to existing and advanced telecommunications services. The FCC has three non-compliant systems for which contingency plans for various failure scenarios are in place.

- The Cable Operations and Licensing System (COALS) has been created from the consolidation and conversion of two current non-compliant systems to the FCC's standard client-server environment. The COALS system will be used to process cable licensing system registrations, frequency usage notification, signal leakage reports, and other cable system-related information; to maintain microwave station license information; and to print station authorizations, public notices of license grants, and various reports. The system is expected to be compliant in September 1999, a month later than originally scheduled, due to delays encountered during the consolidation of headquarters staff into one building.
- The Consolidated Database System (CDBS) is a consolidated license processing system that will replace the current bureau legacy systems to provide for electronic filing of applications and public access to application data over the Internet. This system is scheduled to be compliant by August 31. If the system is not ready, the bureau will not be able to perform computerized Broadcast AM, FM, or TV application processing activities.
- The Co-channel Serial Coordination (CoSer), Northbound and Southbound, coordinates between the U.S. and Canada on frequency assignments along the U.S./Canadian border, to ensure that no new transmission facilities interfere with existing facilities. The system will be compliant with parallel testing completed by the end of August. Contingency plans have been developed and coordinated by the Commission with Industry Canada.

Federal Election Commission

In 1975, Congress created the Federal Election Commission (FEC) to administer and enforce the Federal Election Campaign Act (FECA), the statute that governs the financing of Federal elections.

The FEC reports that 14 of 17 mission critical systems are Y2K compliant. The remaining three are being repaired and have contingency plans in place. The FEC-owned hardware system is 99 percent compliant and will be 100 percent compliant by September 30, 1999. The third-party software system is scheduled to be compliant by the end of November, and the communications network is expected to be compliant by the end of November.

Federal Labor Relations Authority

The Federal Labor Relations Authority (FLRA) is an independent agency responsible for administering the labor-management relations program for 1.9 million Federal employees world-wide.

Eight of the agency's nine mission critical systems are compliant. One system, the Solicitor Case Tracking System, needs to be replaced. That system tracks the status of Federal Labor Relations Authority cases before the Courts and creates statistical reports to assist the Authority in managing its caseload and docket of cases before the Courts. Work continues to bring this system into compliance by September 30. A contingency plan is in place that would use alternative systems on Y2K compliant computers.

Federal Trade Commission

The Federal Trade Commission enforces a variety of federal antitrust and consumer protection laws. The Commission seeks to ensure that the nation's markets function competitively, and are vigorous, efficient, and free of undue restrictions. The Commission also works to enhance the smooth operation of the marketplace by eliminating acts or practices that are unfair or deceptive.

The Commission has one mission critical system that is not yet compliant, its Staff Identification System. It is expected to come into compliance on October 31, 1999. This system provides information about active FTC staff that is used by all FTC applications for a variety of purposes, including managing user access to the individual applications. Implications of this system not being ready by January 1, 2000 are that staff and contractor resources may experience delays in getting access to information systems to perform their work. The contingency plan for this is being reviewed and will be updated by September 30, 1999.

Marine Mammal Commission

The Marine Mammal Commission is a scientific advisory board that collects data and gives expert advice on marine mammals. A main function of the Marine Mammal Commission is to continually study marine mammal populations and activities in the United States and make recommendations based on the findings.

The Commission has two non-compliant mission critical systems. One is a personal computer that is used as a network server for the office, and the other is a group of PCs for use by staff for word processing, accounting, database functions, electronic communications, and other normal office duties. All of these systems will be compliant by September 30, 1999. A contingency plan is in place for continued operations.

National Archives and Records Administration

NARA is an independent Federal agency that helps preserve our nation's history by overseeing the management of all Federal records. Of NARA's 22 mission critical systems, 17 are fully compliant. The remaining five are undergoing renovations and contingency plans are scheduled to be complete by September.

- The Archival Electronic Records Inspection and Control (AERIC) system supports accessioning and intellectual control of electronic records databases. System renovations are scheduled for completion by September.
- NARANet is a wide area network and data communications infrastructure using personal computers to accomplish agency administrative and mission critical activities electronically. System renovations are 91 percent complete, with the remaining nine percent expected to be completed by August.
- Security Systems is NARA's Building Security Systems and comprises the total umbrella of inter-related systems that monitor and control facility access. NARA has successfully renovated 11 of the 13 security systems with the two remaining systems scheduled for completion by September.
- Storage and Retrieval Systems (STAIRS) used by the Reagan and Bush Presidential Libraries are the central tools for maintaining intellectual control of, and performing reference on, the holdings. Renovations on the STAIRS at the Bush Library are complete and the system at the Reagan Library remains on schedule for completion in August.
- Telephone systems support NARA's mission critical data and voice communications. Renovations of the two remaining telephone systems are on schedule for completion by August.

National Capital Planning Commission

The National Capital Planning Commission (NCPC) reviews plans for new Federal buildings in the District of Columbia and the region and represents the Federal interest in planning for the future development of the National Capital Region. NCPC is progressing on a schedule that will allow it to begin parallel systems testing by September 30, 1999. The

Commission reports 10 mission critical systems/processes, with five compliant, four to be replaced, and one to be repaired.

- The upgrading of the local area network is a replacement to NCPC's existing network infrastructure. This upgrade is scheduled for September 17.
- The Web Server replaces NCPC's non-compliant web server and ensures a web presence for public dissemination of information. This project is scheduled for implementation by August 25.
- Repairs to the financial management software system are underway. If the system were not repaired, NCPC would need to generate financial reports on an ad hoc basis. This project is scheduled for completion by October 15.
- Network Firewall replaces NCPC's hardware and software. The new network architecture will be completed by September 1.
- The Remote Access Server replaces the existing access server. If the project does not go forward, NCPC staff will not be able to access their files from off-site locations. The replacement of the remote access server is scheduled for October 15.

National Gallery of Art

The National Gallery of Art has made progress toward coming into full compliance; however, its original date of compliance (July) has now been pushed back to the end of September. The Gallery has 11 mission critical systems. Of these, eight are compliant and three are to be repaired. These three are the alarm system, the building automation system, and the local area network (LAN).

- The Gallery expects the alarm system to be compliant by August 31. However, failure to upgrade this system would not result in loss of security services but in incorrect dates on logs that track daily activity.
- The Building Automation System, while compliant, is not fully installed. It is to be installed no later than August 30.
- The LAN provides telecommunications links for all computing devices at the Gallery, print capability, e-mail support and Internet access. Failure of the LAN would suspend email and Internet access, restrict printing capability, and limit the personal computing to mainframe processing that supports the General Accounting System. Of the 32 servers that needed to be upgraded, nine already have been eliminated, five remain to be eliminated, 17 are compliant, and only one still requires some action to become compliant at the time of this report. There is still a problem with the interface between the mainframe and the latest version of Gateway software. There was no completion date

given for this task. The LAN, however, will be compliant by September 30th. A contingency plan was not reported.

National Mediation Board

The National Mediation Board (NMB) is an independent U.S. Government agency established by the 1934 Amendments to the Railway Labor Act. Its principal role is to foster harmonious labor-management relations in the rail and air transport industries and thereby minimize disruptions to the flow of interstate commerce.

The NMB is upgrading its Electronic Certification System that performs its financial processes, including obligations and expenditures within the agency. This upgrade is being done in conjunction with the Treasury Department. This new system is expected to be compliant by September 30.

Office of Administration – Executive Office of the President (EOP)

The Office of Administration reports 71 mission critical systems. Of these 71 systems, 49 systems are certified compliant. The remaining 22 systems include 18 systems to be repaired and four to be retired.

- The Financial Management System (FAMIS) is the financial management and accounting system that supports the Financial and Management Division in the Office of Administration. The underlying system is compliant. The software customizations have been completed, and the system is currently in testing. FAMIS is on schedule to be compliant by September 30, 1999 and fully implemented by October 1.
- The OA/WHCA Travel System consists of laptop computers, printers, fax machines, software, and related components. WHCA is continuing to field hardware for the system, and this project is expected to be completed by September 30.
- NT-Client consists of more than 2300 computer workstations and associated software and components throughout the EOP. While most are compliant, a small handful of special purpose workstations remain to be converted. The system is expected to be compliant by August 31.
- NSC System G is a classified system used by the NSC to support its information systems requirements. This system is not yet compliant due to technical issues encountered during renovation. OA believes that this system will be Y2K compliant by September 30.
- The ARMS to Lotus Notes Interface transfers data from the Lotus Notes mail system to the ARMS system. Due to technical issues encountered when attempting to establish a

renovation strategy, this system is not yet Y2K compliant. The system is expected to be Y2K compliant by September 30.

- The Random Drug Testing System selects EOP employees for drug testing and tracks the process. The system is expected to be compliant by September 30.
- The Personnel and Pay System manages pay and personnel data for the EOP and interfaces into the DOD Finance and Accounting System. The system is scheduled to be compliant September 30.
- IM POTUS Remarks is a web-based server system that provides public access to the text of Presidential speeches. This system was reported as part of a group-system entitled “EOP Information Management System” in previous reports. Because this system is still undergoing renovation while the other systems were either retired or became compliant, it is now being reported separately. The system is scheduled to be compliant by September 30.
- The White House Travel Office System supports the business accounting functions associated with Presidential travel. This system has been under development and was not reflected in earlier reports because the original intent was to upgrade the commercial software, covered under the NT-Server, Novell Server, and NT-Client Systems. However, since the last report, this system’s development has been accelerated using Commercial-Off-the-Shelf equipment. The system is expected to be compliant September 30.
- The Electronic Mail Reconstruction System is scheduled to be retired by October 1.
- There are five mission critical systems that support the business processes of the White House. These systems are the Correspondence Tracking System (C-Track), the Document Tracking System (D-Track), the Agency Casework and Contact System, the Secretary Log (SECLOG) System, and the Document Imaging System are being renovated together. These systems support the day-to-day activities of the White House. Compliance is expected September 30.
- The Cabinet Affairs System controls and coordinates activities between the Cabinet and the White House. Compliance is expected September 30.
- PS2000 is a PC based hardware and software system. The PS2000 system supports office automation functions on more than 2,300 workstations within the EOP. This system is being replaced by the Y2K compliant NT-Client System. PS2000 is scheduled for retirement September 30. A contingency plan is in place for this system.
- Novell Server is the old, pre-Y2K compliant computer file server hardware and software system. This system is being replaced by the Y2K compliant NT-Server system. This system will be retired September 30.

- RESUMIX is used by the White House Office to track resumes of potential personnel to fill position vacancies. This system was originally scheduled to be replaced by WHISDM, but was being renovated as a contingency should WHISDM fielding be delayed. RESUMIX is expected to be compliant September 30.
- QUOROM supports the personnel management requirements of the White House Office. The system is expected to be Y2K compliant September 30.
- The ONDCP Security and Alarm System controls access to and from sensitive ONDCP areas. Compliance is expected by September 30.
- The Firewall is the legacy system that currently protects the EOP data network from intrusion via the Internet. This system is not yet Y2K compliant because it must remain ready for immediate activation should the Y2K Compliant Security Perimeter System fail. This period of parallel availability will conclude before September 30.

Overseas Private Investment Corporation

The Overseas Private Investment Corporation (OPIC) is an independent Federal agency that sells investment services to assist U.S. companies investing in some 140 emerging economies around the world.

OPIC has four mission critical systems with one being reported as compliant. The remaining three are all being repaired and have contingency plans in place.

- The Insurance Revenue and Accounting System (IRAS) provides insurance project processing and feeds into the Oracle Government Financial System. IRAS was scheduled for compliance by August 16.
- The Finance Accounting and Information System (FAMAS) provides finance project processing and feeds into the Oracle Government Financial System. FAMAS was scheduled for compliance by August 16.
- The Accounting and Financial Management System (AFMS) is an accounting management system that feeds into the Oracle Government Financial System. AFMS was scheduled for compliance by August 16.

Securities and Exchange Commission

The SEC is an independent, nonpartisan, quasi-judicial regulatory agency with responsibility for administering the Federal securities laws. The SEC reported that it expects to finish its mission critical work by August 31. It has divided its systems into two categories: Enterprise applications and PC-based applications. Of the 35 remaining enterprise applications, all but four are compliant. Of the 42 remaining PC-based applications, only one, a procurement tool called GSA Advantage, is non-compliant. It is scheduled to be repaired by August 31.

The four non-compliant Enterprise systems were scheduled to be compliant by August 31st. A manual process and contingency plan exist for each. Program offices are working to formalize the contingency plans as well.

- The Delinquency Mainframe Batch System identifies registered entities that are late in filing their periodic reports with the SEC.
- The Teleprocessing of Reporting Information Services is a mainframe batch report of SEC entity and filing inventories.
- The Market Information Data System database incorporates daily trades, quotes, cleared trades, over the counter data, option trades, and blue sheet data from the New York Stock Exchange.
- The N-SAR mainframe batch application internally processes, tracks, and reports on N-SAR form information.

Smithsonian Institution

The Smithsonian Institution holds some 140 million artifacts and specimens in trust for “the increase and diffusion of knowledge.” The Smithsonian reports 18 mission critical systems, all but three of which are Y2K compliant.

- The Mailing and Postage system handles the mailing and postage processes for the Smithsonian. Y2K compliance was scheduled for August.
- The SIPPS and All Access Control System includes a number of related security and access systems for the Smithsonian buildings. The overall system is expected to be compliant by December.
- The Budget, Management, Planning and Policy System (BUMPPS) is scheduled for Y2K Compliance by September.

Tennessee Valley Authority

The Tennessee Valley Authority is the nation's largest electricity producer, a regional economic development agency, a steward of the Tennessee River basin, and a national center for environmental research. Of 444 mission critical systems, 443 are Y2K compliant. The one mission critical system that is non-compliant is the Clean Air Reporting Module. This module is the set of programs that takes collected data and creates the reports that EPA requires to comply with the Clean Air Act. It was expected to be compliant as of the end of August. A contingency plan was not evident.

U.S. Consumer Product Safety Commission

The U.S. Consumer Product Safety Commission (CPSC), an independent Federal regulatory agency, was created in 1972 by Congress in the Consumer Product Safety Act to "protect the public against unreasonable risks of injuries and deaths associated with consumer products."

CPSC has requested Y2K emergency funding to move its Management Information System and Payroll (MIS/Payroll) application from the NIH server to CPSC's own computer network which is Y2K compliant. CPSC has been using an NIH platform and operating system for its internally compliant MIS/Payroll application, but the underlying NIH supporting systems are not Y2K compliant and are being retired. The problem created by NIH's retiring of the older supporting systems was only recently realized by CPSC. CPSC expects this mission critical system to be compliant and running on its own platform by December 1999. While classified as mission critical, this system can, in fact, be in a "down" status for several weeks with no significant adverse impact on CPSC programs. It does not actually directly execute payment of CPSC staff payroll, but rather provides management information.

U.S. Information Agency

The United States Information Agency (USIA) is an independent foreign affairs agency within the executive branch charged with the conduct of public diplomacy in support of U.S. foreign policy.

Of the 54 mission critical systems at USIA, 45 of them are compliant. Three systems are to be replaced, five are to be repaired, and one is to be retired. All of these changes are to be completed by October 1. The nine systems that are not compliant will no longer be the responsibility of USIA or the State Department. Instead, they will become the responsibility of the International Bureau of Broadcasting. These nine systems were not described in USIA's report and contingency plans were described.

U.S. International Trade Commission

The USITC has broad investigative powers on matters of trade. The USITC gathers and analyzes trade data. In the previous quarterly report, USITC reported that they were compliant. In this report they have six mission critical systems. Of them, four are compliant, one is to be replaced and one is to be repaired. Virtually all of the Commission's systems are commercial-off-the-shelf systems.

The system under repair is the ITC-NET, the general support system for all agency IT services, comprised of file, print, and other network servers, routers, switches, LAN hardware, firewall, Internet, and communications. The firewall software and a router need to be upgraded before the entire system is Y2K compliant. The completion date for these two systems upgrades was August 31. If the system is not

ready, ITC will not have Internet access. A contingency plan is in place for this system.

U.S. Merit Systems Protection Board

The U.S. Merit Systems Protection Board is an independent, quasi-judicial agency established to protect the integrity of Federal personnel systems against partisan political and other prohibited personnel practices and to ensure adequate protection for employees against abuses by agency management.

The Merit Systems Protection Board has one mission critical system, the Case Management System, which is not yet compliant. The Case Management System tracks the status of Merit Systems Protection Board cases for statistical reports to assist offices in managing their caseloads. This system was expected to be compliant by August 31. If the system is not ready in time, the data will still be accurate, although there may be irregularities in how reports are printed. The contingency plan is to reorganize any reports if errors occur in their production.

U.S. Office of Special Counsel

The U.S. Office of Special Counsel has three core business processes: handling complaints of prohibited personnel practices, especially whistle-blowing complaints; answering congressional inquiries; and distributing Hatch Act Advisories. The Office has 11 mission critical systems. Of those, 10 are compliant; one, the Case Tracking System, needs to be replaced. This system is used to track workload in the program area and provides workload data and data processing support for every program operation in the Agency. New software for the System has been developed and is currently undergoing parallel testing. The new system is expected to be operational by September 30. A contingency plan is in place.

U.S. Postal Service

The size and geographical distribution of the United States Postal Service (USPS) make its compliance a substantial challenge. The USPS has 137 mission critical systems, a decrease from the 141 reported in May 1999 due to a systems classification review. The USPS has deployed 131 mission critical applications to date with six mission critical systems remaining. These six are distributed applications, are in the final stages of deployment, and have approved contingency plans as of July 1999.

- The PC-Management, Operating Data System (PC-MODS) provides local postal management with information necessary to plan and control activities within a postal office. It has an implementation date of September 10. PC-MODS is widely distributed and although it has a known fiscal year failure date, the agency states that isolated failures of the application will have negligible business impact.

- The Customer Service Daily Reporting System (CSDRS) provides customer service management with a daily snapshot of the Delivery Units' mail condition in a timely manner. USPS reports that isolated failure of the application would have negligible business impact and that delivery units would be able to report customer service manually to ensure that the national roll-up of customer service data is complete. CSDRS has an implementation date of August 20.

- The Transportation Information Management Evaluation System is a wide area network

client/server application that consolidates and reports inbound activity of mail movements to facilitate the scheduling for trucks and containers to be loaded or unloaded. The deployment was scheduled for August 31. There is no risk of fiscal year related failure.

- The Productivity Information Management System (PIMS) provides Bulk Mail Center (BMC) Supervisors with on-line personnel skill resource information for deployment of employees to other work centers via the office automation local area network. PIMS is scheduled to be deployed by August 30 at the 21 BMCs where the application is mission critical.
- The Dedicated Air Tracking System (DATS) tracks the performance of dedicated networks for mail via air. DATS implementation has been delayed until August 30 due to workload re-prioritization. USPS reports that a delay in deployment will not have negative business impact.
- The Customs Pre-Advisory System (CPAS) pre-advises Customs agencies of the contents and duties of impending merchandise shipments and records volume, revenue, duty, performance, service, type, and tracking information. The verification process revealed that programs within the application were non-compliant, so the system requires additional rework to certify and verify it as Y2K compliant. The scheduled deployment date is September 15.

**Table 3 – Summary of Small and Independent Agency Progress
Costs in Thousands of Dollars**

Agency	No. Mission Critical Systems	Estimated Total Costs (FY96- FY00)	Progress	Concerns
African Development Foundation	4	400	All mission critical systems are tested and fully compliant as of April 1999. ADF is developing an overseas plan to address issues in telecommunications, power, and finance and administration. Data exchanges and telecommunications are compliant. The BCCP has been in place since May and addresses the high level core functions of the ADF, Operational Support, and Field Office Support.	No compliance date for buildings status was provided.
Architectural and Transportation Barriers Compliance Board	5	60	Four of the five mission critical systems are compliant. Data exchanges and telecommunications are compliant. The BCCP is in place as of August and addresses core business processes. The agency received \$60,000 from the Y2K emergency fund for FY99.	Anticipated compliance for the single remaining mission critical system is September. Buildings are leased from GSA and no specific compliance dates are provided in the report.
Armed Forces Retirement Home	6	300	AFRH has been compliant for data exchanges, telecommunications and buildings since 1998.	Anticipated date of compliance is late September, 1999. Several non-mission critical systems have been identified and will be replaced as funds are available. The last mission critical system, the Open System Accounts Receivable System, is still non-compliant. The new date of compliance is September 17. There is no contingency plan for failure of this system. There is no BCCP since AFRH is dependent on Host Agencies core business processes in the event of a process failure.
Committee for Purchase from	4	380	Three of four mission critical systems are compliant. Telecommunications systems are	Anticipated date of compliance is December. The last non-compliant system, the main information

Agency	No. Mission Critical Systems	Estimated Total Costs (FY96- FY00)	Progress	Concerns
People who are Blind or Severely Disabled			compliant.	management database system, should be compliant by the end of November. Senior leadership have reviewed and considered all factors related to business continuity and contingency planning and have determined that a BCCP is unnecessary. These considered factors have not been shared with OMB.
Corporation for National and Community Service	33 ¹⁶	800	Of the total of 122 items being tracked 114 have been repaired or retired. CNCS received \$800,000 from the Y2K emergency fund for FY99.	Date for mission critical system compliance slipped from July to September. The CNS is working on a BCCP but no date was given for when it would be finished. The old financial management system is being phased out and a new one is being installed. All other non-compliant mission critical systems are dependent upon the new Momentum financial system.
Courts Services and Offender Supervisory Agency for the District of Columbia	4	4,000	All non-mission critical systems are reported as compliant. Telecommunications are compliant.	Compliance is expected by October with no mission critical systems compliant at this time. Data exchanges are scheduled to be compliant in October. No compliance dates reported for buildings. The BCCP draft is expected to be submitted by October 1999.
Equal Employment Opportunity Commission	9	6,700	A BCCP for the five core business areas was completed in June. The BCCP is designed to work in conjunction with the agency's contingency plans for mission critical IT systems as well as non-IT building systems plans. Data exchanges and telecommunications are	Anticipated compliance date has slipped from May to August due to IV&V work. EEOC states that FINASST (new financial system) is not compliant, although previously reported as so. One of the core business functions, Administration - Payroll, Finance and Procurement, depends heavily on

¹⁶ The increase in two mission critical systems is a result of a decision to upgrade the server on which the new financial system will be housed and to implement additional software for the Momentum financial system.

Agency	No. Mission Critical Systems	Estimated Total Costs (FY96- FY00)	Progress	Concerns
			scheduled to be compliant by October.	support of GSA but there is no mention of working with GSA to develop a plan for accommodating the process in the event of failure. No compliance dates are provided for buildings.
Export/Import Bank of the United States	12	600	All mission critical systems were compliant in March. Progress continues on non-mission critical systems. BCCP in place for the Headquarters level of operations. Data exchanges are compliant.	The Bank leases space from GSA. There is no information when the building will be certified as compliant. The telecommunications system will be compliant in October.
Farm Credit Administration	28	1,700	Only three mission critical systems are non-compliant. The agency submitted a COOP for Headquarters operations. COOPs for the four field offices are appended to the headquarter's plan. FCA buildings were compliant as of December 1998.	The anticipated date of compliance has slipped from June to September. One mission critical system, the financial management system known as FINASST, has been added. This system is expected to be finished by September 30. If FINASST is not ready and the contingency plan must be activated, there may be potentially serious impacts. Data exchanges and telecommunications were expected to be compliant by the end of August.
Federal Communications Commission	29	16,000	A BCCP is in place is for the headquarters operations.	Anticipated compliance date has slipped from August to September. IV&V will not be completed until October. Contingency plans will not be tested until October. Local BCCPs will not be created until August. No date was given for when buildings would be compliant. Data exchanges are expected to be Y2K compliant in August, and telecommunications system will be compliant in November.
Federal Deposit Insurance Corporation	35	104,700	Compliance for mission critical systems was achieved in April. Data exchanges were reported as compliant in May.	Buildings are scheduled for compliance by August and telecommunications scheduled for compliance by September. The BCCP is in draft form and is

Agency	No. Mission Critical Systems	Estimated Total Costs (FY96- FY00)	Progress	Concerns
				scheduled to be final in September.
Federal Election Commission	17	958	All but three of the mission critical systems are compliant. Data exchanges and telecommunications are reported as compliant.	The anticipated compliance date for all mission critical systems is November. The number of mission critical systems rose from 16 to 17. Costs rose by \$158,000. A BCCP has not yet been submitted. No compliance dates have been reported for buildings.
Federal Energy Regulatory Commission	0	2,000	The headquarters BCCP is agency-wide. It states that difficulties with systems for up to several weeks would have no affect on FERC's ability to conduct work with external parties.	Previously, FERC reported 50 unfinished mission critical systems. In this report, FERC recategorized these as non-mission critical systems. These systems are expected to be compliant by November 1.
Federal Housing Finance Board	5	340	All mission critical systems and non-mission critical systems are fully compliant as of July. The BCCP is in place and represents input and coordination across the agency. Buildings are reported as compliant.	Anticipated compliance dates for the remaining non-mission critical systems is November.
Federal Labor Relations Authority	9	1,400	The BCCP was completed in June 1999. It is centralized but business continuity activities will be implemented agency-wide.	The anticipated date of compliance has slipped from July to October. One mission critical system, the Solicitor Case Tracking System, will be compliant by September. A contingency plan is in place for this system. Regional directors will meet with IRM Director and Executive Director in early November as part of the strategy. FLRA does not have data exchanges. Its telecommunications systems and buildings are expected to be compliant in September.

Agency	No. Mission Critical Systems	Estimated Total Costs (FY96- FY00)	Progress	Concerns
Federal Reserve Board	103	109,800 ¹⁷	Compliance for mission critical systems was achieved in April. Strong progress is being made on non-mission critical systems, with 98 percent compliant. All data exchanges, telecommunications, and buildings are compliant.	None.
Federal Retirement Thrift Investment Board	0	200	The Board has no mission critical systems and all non mission critical systems are compliant. Data exchanges, telecommunications, and buildings are all compliant as of August.	The Board does not plan to prepare a BCCP.
Federal Trade Commission	10	2,500	BCCP was provided in June and contingency plans are being tested.	The dates for Y2K compliance both of mission critical and non-mission critical systems have slipped since the last report. The BCCP, which was to have been completed in August will now be completed in September. Work continues on a number of systems. A date for non-mission critical systems compliance is not provided.
John F. Kennedy Center for the Performing Arts	3	325	All mission critical systems are compliant.	The Building Automation System will be shut down and operations will be done manually until summer 2000 when a new system can be installed. The date for BCCP completion has slipped from June to September. Integration of the agency's BCCP with its COOP is underway.
Legal Services Corporation	8	600	Compliance for mission critical systems was achieved in March. One BCCP has been created for the entire agency.	No explanation was given for the 32 percent increase in cost. The phone system will be compliant in September. LSC states in its BCCP that its business/grant application cycle can

¹⁷ The 9th Quarterly Report to Congress included only FY99 costs. The current estimate includes \$61,300 budgeted for FY00.

Agency	No. Mission Critical Systems	Estimated Total Costs (FY96- FY00)	Progress	Concerns
				withstand a systems failure for a period of 30 working days without irreparable harm. Paper backup systems would be implemented in the interim.
Marine Mammal Commission	2	38	The BCCP is in place and is being tested.	One network server and a group of networked PCs remain to be replaced. MMC expects compliance by September 30.
National Archives and Records Administration	22	7,100	Facilities owned by NARA are expected to be fully compliant by September. The BCCP is in place and covers the core business processes. There are also contingency plans for some of the important, but non-mission critical, systems included in the BCCP.	The anticipated compliance date for mission critical systems has slipped from August to September. Building compliance information indicates only 88 percent compliance for GSA buildings. Telecommunications compliance is scheduled for August, and buildings are scheduled for compliance in September.
National Capital Planning Commission	10	370	The BCCP was completed in June. NCPC also shares planning information with other State, local, and Federal agencies and with the public. Data exchanges are compliant.	The anticipated compliance date for mission critical systems is September. Telecommunications and buildings are scheduled for compliance in August.
National Credit Union Administration	7	31,000	All mission critical systems have been compliant since December 1998. The BCCP is in place as of June and includes a very detailed risk and impact review of core business processes.	Data exchanges are scheduled to be compliant by August, telecommunications by September, and buildings by October.
National Gallery of Art	11	165	A BCCP is in place for the NGA's single facility, and it is linked with COOP plan.	The anticipated date of compliance has slipped from July to September. No date was given for when all remaining non-compliant PCs would be upgraded. Telecommunications will be compliant in September. Buildings will be compliant in August.
National Labor	29	14,500	Compliance for mission critical systems was	The anticipated compliance date for

Agency	No. Mission Critical Systems	Estimated Total Costs (FY96-FY00)	Progress	Concerns
Relations Board			achieved in March. Data exchanges achieved compliance in March. The BCCP is in place and provides contingency plans for the agency's two principal functions.	telecommunications is November. The Board is awaiting information from GSA on the status of building compliance.
National Mediation Board	6	605 ¹⁸	The BCCP is in place for headquarters. NMB has two offices; one in Washington and one in Chicago. Data exchanges, telecommunications and buildings are all compliant.	The anticipated compliance date has slipped from June to September for mission critical systems. It is unclear from the report which systems are mission critical and which are non-mission critical.
National Transportation Safety Board	2	0	Reported mission critical systems compliant in March. BCCP is in place and has been provided.	None.
Neighborhood Reinvestment Corporation	4	100	Compliance for all mission critical systems was achieved in April.	No compliance dates provided for data exchanges, telecommunications or buildings. BCCP is planned for completion before the end of the calendar year. This planned completion date does not provide an opportunity to test the contingencies prior to the year 2000.
Overseas Private Investment Corporation	4	3,000	A draft BCCP is being reviewed by senior management. Data exchanges, telecommunications, and buildings are compliant.	The anticipated date of compliance for mission critical systems has slipped from July to August. Three systems are not yet compliant.
Office of Administration - Executive Office of the President	71	34,500	Telecommunications and buildings are compliant. The BCCP is in place as of June. It separates the mission critical core functions into three basic tiers. System dependencies, identification of threats, and impacts are	The anticipated date of compliance for mission critical systems is October. The number of mission critical systems changed from 73 to 71 as one new system development was deferred and another was retired. Data exchanges are scheduled

¹⁸ The 9th Quarterly Report to Congress incorrectly stated the total costs as \$100K. \$605K should have been reported. There has been no increase in the total costs of the Board's Y2K activities.

Agency	No. Mission Critical Systems	Estimated Total Costs (FY96-FY00)	Progress	Concerns
			discussed for all three tiers.	to be compliant by September.
Office of the U.S. Trade Representative - Executive Office of the President	5	1,200	All mission critical systems are compliant as of May. Data exchanges and telecommunications are compliant. The BCCP was provided in June.	No compliance dates were provided for buildings.
Peace Corps	16	12,400	All mission critical and non-mission critical systems are compliant as of March ¹⁹ . Buildings and telecommunications are compliant. The BCCP is in place and demonstrates a great deal of coordination and contingency planning with other agencies in the international arena.	Data exchanges are scheduled to be compliant by September.
Pension Benefit Guaranty Corporation	13	4,550	All mission critical systems are compliant. PBGC has created extensive contingency and continuity of operations plans for each of its critical areas of business.	PBGC is behind schedule on completing the certification of its data exchanges. The revised date is the end of September. PBGC is on schedule to complete building compliance by September.
Railroad Retirement Board	123	14,300	Compliance for mission critical systems was achieved in January. BCCP is in place as of June, and testing of the contingencies should be completed by October. Telecommunications and buildings are compliant.	FY 1999 costs increased due to IV&V costs. Anticipated compliance for data exchanges is September.

¹⁹ There exists an overlap between the Peace Corps' overall security concerns and Y2K concerns. This has reduced estimated costs associated with Y2K by \$3.8 M, because through addressing the overall agency security concerns some of the Y2K needs were alleviated.

²⁰ The last Quarterly Report incorrectly stated that the SEC had 52 mission critical systems. The actual number of mission critical systems was 104. This past quarter, the number of SEC's mission critical systems declined from 104 to 77. This decline was due to the retirement of applications.

Agency	No. Mission Critical Systems	Estimated Total Costs (FY96-FY00)	Progress	Concerns
Securities and Exchange Commission	77 ²⁰	18,600 ²¹	Data exchanges, telecommunications, and buildings are all reported compliant. The BCCP is in place and covers contingency plans for SEC Offices.	Compliance for remaining mission critical systems was achieved in August. The BCCP is for HQ operations, is very broad, and does not contain specifics. The implications of any systems malfunction and any contingency plans were not evident.
Selective Service System	7	1,142	All mission critical systems achieved compliance in March. Data exchanges, telecommunications, and buildings are all compliant. The BCCP is in place and covers contingency plans for SSS Offices.	None.
Smithsonian Institution	18	9,917	Data exchanges and telecommunications are compliant. The BCCP is in place and being tested.	Mission critical systems are not scheduled to be compliant until December. All aspects of the buildings are compliant, with the exception of the security system, which is not scheduled for compliance until December.
Tennessee Valley Authority	444	39,800	All non mission critical systems are compliant. IV and V systems are in place. TVA is operationally ready for Y2K. Its data exchanges, telecommunications, and buildings are compliant.	The anticipated compliance for mission critical systems is scheduled for November. The BCCP is a very high-level plan showing the overall goals, strategy, and process for ensuring Y2K compliance, but includes no specifics. The increase of \$1.76 million in project FY2000 costs, almost 40 percent, was not explained.
U.S. Commodity	2	1,900 ²²	Compliance for mission critical systems was	Data exchanges are not scheduled to be compliant

²¹ The increase in expenditure from \$14,600,000 in the previous report was for remediation of the remaining mission critical systems, IV & V activities, contingency planning, project management support, and software tools.

²² Costs increase by \$270,000 for FY2000 estimate for the purchase of equipment and communications services to implement the BCCP.

Agency	No. Mission Critical Systems	Estimated Total Costs (FY96-FY00)	Progress	Concerns
Futures Trading Commission			achieved in March. All but one of the 290 data exchanges with external organizations are compliant. Buildings are reported as compliant. The BCCP is in place as of June and includes two detailed contingency plans, one addressing building infrastructure failures and another addressing information system failures.	until September, and telecommunications are not scheduled to be compliant until October.
U.S. Consumer Product Safety Commission	31	1,243	CPSC was reported compliant as of April, but later discovered that one MIS system depended on a non-compliant operating outside the agency. This system will be replaced with a compliant system by December. While the system is not critical to day-to-day operations, the reprogramming will be closely monitored. A BCCP report exists for headquarters, its sole facility. CPSC used in-house and contractor staff for IV&V of systems to reduce costs.	None.
U.S. Holocaust Memorial Council	77	1,600	Full mission critical systems compliance was achieved in March. All but three of the non-mission critical systems are compliant. The BCCP is in place as of August, and testing of the contingencies are underway. Data exchanges, telecommunications, and buildings are all compliant.	None.
U.S. Information Agency	54 ²³	6,400	On October 1, 1999, the USIA, with the exception of the International Broadcast Bureau (IBB), will be merged into the Department of State. This will include 45 of the 54 mission	The BCCP will be completed by September 15, 1999. Data exchanges, telecommunications, and buildings are to be compliant by September.

²³ The number of mission critical systems decreased by one since the last report due to reductions in the number of retired and repaired systems.

Agency	No. Mission Critical Systems	Estimated Total Costs (FY96-FY00)	Progress	Concerns
			critical systems at USIA. The nine mission critical systems are not compliant will no longer be the responsibility of USIA or the State Department. Instead, they will become the responsibility of the International Bureau of Broadcasting.	
U.S. International Trade Commission	6	1,600 ²⁴	Buildings are all Y2K compliant.	In their May report, USITC reported that all mission critical systems were compliant. USITC now reports having six mission critical systems total: four compliant, one to be replaced, and one to be repaired. The anticipated date of compliance is now August. The Commission is awaiting two software package upgrades on non-critical systems. These will be upgraded by September 1. An initial BCCP has been completed.
U.S. Merit Systems Protection Board	1	270	One of the two outstanding non-mission critical systems has been brought into compliance since the last report. The other is still on schedule for September. The telecommunications system is compliant.	The anticipated date of compliance for mission critical systems is August. The Case Management System is not yet compliant. MSPB is expected to have the system compliant by August 31. No contingency plan has been created for this system since the data in the system is still correct; in the worst case scenario, only some data sorts would be inaccurate. The BCCP is centralized, but business continuity activities will be implemented agency-wide. BCCP contingency plans are expected in October. No date was available for expected full compliance of buildings systems.

²⁴ The increase in estimated cost of \$300,000 is due to USITC needing to replace a major non-compliant information system before December 31, 1999. The USITC also expects a modest rise in costs associated with the BCCP.

Agency	No. Mission Critical Systems	Estimated Total Costs (FY96- FY00)	Progress	Concerns
U.S. Office of Special Counsel	11	100	Data exchanges and telecommunications are compliant.	The anticipated date for one remaining mission critical system's compliance is August. The BCCP is in place but is awaiting senior level review. The agency reported "not applicable" for Y2K compliance of buildings.
U.S. Postal Service	137 ²⁵	492,000 ²⁶	USPS continues to make significant progress in overall Year 2000 readiness. The number of compliant mission critical systems has risen from 120 to 136. The BCCP was completed in July and provides contingencies for USPS' nine mission critical processes and 47 sub-processes.	The anticipated compliance date for mission critical systems is September. Data exchanges are scheduled for compliance in September. Telecommunications are projected to be compliant in October, and buildings are scheduled to be compliant in November.

²⁵ The number of mission critical systems dropped from 141 to 137 due to a system classification review.

²⁶ Changes in costs for FY1999 and FY2000 are a result of revised forecasts based upon actual and accrued costs to date.

DATA EXCHANGES, TELECOMMUNICATIONS, AND BUILDINGS

Small and independent agencies have made substantial progress in ensuring the readiness of their telecommunications systems and networks, their buildings' systems, and of their data exchanges. Table 4 summarizes the readiness of agencies' data exchanges, telecommunications networks and systems, and buildings, regardless of who owns or manages them.

“Done” indicates that all work has been completed. Dates indicate when all work in that area is expected to be complete. A dash (“–”) means no date was reported. This table shows the last date of completion for each area. “N/A” means Not Applicable. Data exchanges include exchanges with other Federal agencies, the States, foreign governments, and private sector entities.

Table 4 – Small and Independent Agency Preparedness of Data Exchanges, Telecommunications and Buildings

Agency	Exchanges	Telecom	Buildings
African Development Foundation	Done	Oct	–
Architectural and Transportation Compliance Board	N/A	Done	–
Armed Forces Retirement Home	Done	Done	Done
Committee for Purchase from People who are Blind or Severely Disabled	Nov	Done	Done
Corporation for National and Community Services	N/A	Done	–
Court Services and Offender Supervisory Agency for the District of Columbia	Oct	Done	–
Equal Employment Opportunity Commission	Sep	Done	–
Export/Import Bank of the United States	Oct	Oct	–
Farm Credit Administration	Aug	Aug	Done
Federal Communications Commission	Aug	Nov	–
Federal Deposit Insurance Corporation	Done	Sep	Aug
Federal Elections Commission	Done	Done	–
Federal Energy Regulatory Commission	N/A	Nov	Done
Federal Housing Finance Board	Sep	Sep	Done
Federal Labor Relations Authority	N/A	Sep	Sep
Federal Reserve System	Done	Done	Done

Agency	Exchanges	Telecom	Buildings
Federal Retirement Thrift Investment Board	Aug	Aug	Aug
Federal Trade Commission	Done	Done	Sep
John F. Kennedy Center for the Performing Arts	N/A	Done	Jun 2000
Legal Services Corporation	Done	Sep	Aug
Marine Mammal Commission	N/A	Done	–
National Archives and Records Administration	N/A	Aug	Sep ²⁷
National Capital Planning Commission	Done	Aug	Aug
National Credit Union Administration	Aug	Sep	Oct
National Gallery of Art	N/A	Sep	Aug
National Labor Relations Board	Done	Nov	– ²⁸
National Mediation Board	Done	Done	Done
National Transportation Safety Board	Done	Done	Done
Neighborhood Reinvestment Corporation	N/A	Done	–
Office of Administration, EOP	Sep	Done	Done
Office of the U.S. Trade Representative, EOP	Done	Done	–
Overseas Private Investment Corporation	Done	Done	Done
Peace Corps	Sep	Done	Done
Pension Benefit Guaranty Corporation	Sep	Done	Sep
Railroad Retirement Board	Sep	Done	Done
Securities and Exchange Commission	Aug	Done	Sep
Selective Service System	Done	Done	Done
Smithsonian Institution	Done	Done	Dec ²⁹

²⁷ Compliance date for buildings owned by the Agency. Awaiting compliance information for buildings owned by or leased from GSA.

²⁸ Awaiting compliance information for buildings owned by or leased from GSA.

²⁹ All aspects of the buildings are complete with the exception of the security system which is scheduled for compliance in December.

Agency	Exchanges	Telecom	Buildings
Tennessee Valley Authority	Done	Done	Done
U.S. Commodity Futures Trading Commission	Sep	Oct	Done
U.S. Consumer Product Safety Commission	N/A	N/A	Done
U.S. Holocaust Memorial Council	Done	Done	Done
U.S. Information Agency	Sep	Sep	Sep
U.S. International Trade Commission	Done	Sep	Done
U.S. Merit Systems Protection Board	N/A	Done	–
U.S. Office of Special Counsel	Done	Done	N/A
U.S. Postal Service	Sep	Oct	Nov

IV HIGH IMPACT PROGRAMS AND WORK WITH STATES

On March 26, 1999, OMB issued “Assuring the Readiness of High Impact Federal Programs” (Memorandum-99-12), which requires Federal agencies to take a leadership role and work with their partners to assure that Federal programs will operate smoothly. The focus of this effort looks well beyond the readiness of mission critical systems of the Federal agencies. Rather, the focus is to work with organizations outside of the Federal government to help them be ready so that key public benefits and services will not be disrupted.

Accordingly, lead Federal agencies are working with their partners – i.e., vendors, contractors, banks, service providers, and State and local governments – to test program delivery end-to-end. Forty-three such programs are identified in Table 3. Programs were included because if disrupted, they could have a direct effect on the public health, safety, or well-being of individuals.

The following table updates the table published in June. It lists the key partners identified by the lead agency responsible for each program and the date when the lead agency and its partners expect to have completed testing.

Seven of the 43 High Impact programs report that end-to-end testing among all key partners is complete and that they have demonstrated their readiness for the Year 2000. Of the remaining programs, eight report that they will complete testing by the end of August, eight report that they will complete testing by the end of September, and 10 report that they will complete testing by the end of October. The last 10 programs are the Federally Supported, State-Run programs, as shown in Table 6. They report that testing will be completed in November and December.

**Table 5 -- Summary of High Impact Programs,
Partners, and Testing Dates**
All dates refer to 1999 unless otherwise noted.

Lead Agency	Program	Key Partners Identified	Date Testing to be Completed
DOC	Weather Service	FAA, DoD, NOAA, Canadian Meteorological Centre, WSI Corporation, PRC Corporation, United Airlines, Northwest Airlines	Completed
DOC	Patent and Trademark Processing	Foreign Intellectual Property Offices, Patent and Trademark Depository Libraries, Commercial Information Providers, Reed Technology and Information Services Inc., Government Printing Office, DOI - US Geological Survey, USDA - National Finance Center, Treasury - Financial Management Service	September
DoD	Military Hospitals	Military Treatment Facilities, managed care support contractors, key pharmaceutical and medical suppliers, Defense Manpower Data Center	September
DoD	Retiree and Annuity Pay	Military Services, Federal Reserve Bank, SSA, IRS, other DoD agencies	September
DOI	Bureau of Indian Affairs	Indian Tribes, Department of Education, Department of Justice, Agricultural and Range Land Management, Mineral Resources Management, other natural resources programs, Environmental and Cultural Resources Management, Real State Services, MMS, Treasury, OTFM	October
DOJ	Immigration	State and local law enforcement, State Department	August
DOJ	Federal Prisons	State and local corrections officials	August
DOJ	NCIC 2000	68 External Interface Checkout users	Completed
DOL	Unemployment Insurance	State Employment Security Agencies, Trust Fund, FMS, state banks	December ³⁰
DOT	Maritime Safety	42 Captains of the Port	September
DOT	Air Traffic Control System	National Weather Service, airlines, support contractors, DoD	August
Education	Student Aid	National Student Loan Data System, Central Processing System, Direct Loan Origination System, Pell Grant System	September
Energy (DOE)	Federal electric power generation and delivery	Army Corps of Engineers, Bureau of Reclamation, Tennessee Valley Authority and industry	October

³⁰ DOL has completed testing with its external partners. The date refers to the latest information regarding the States' completion of Y2K systems testing. State BCCP testing will continue through end of the year.

Lead Agency	Program	Key Partners Identified	Date Testing to be Completed
FEMA	Disaster relief	Emergency Service Providers	October
HHS	Child Welfare	State and social service authorities	November ³¹
HHS	Low Income Home Energy Assistance Program	State agencies and local energy providers	December ³¹
HHS	Child Support Enforcement	State agencies, tribes	December ³¹
HHS	Medicaid	States	November ³¹
HHS	Medicare	Medicare Contractors	October ³²
HHS	Organ transplants	United Network for Organ Sharing, organ procurement organizations, transplant centers, histocompatibility laboratories	August
HHS	Temporary Assistance for Needy Families	State agencies, financial institutions, tribes	December ³¹
HHS	Indian Health Services	American Indian Tribes, Alaska Native Organizations, Urban Indian Health Programs, Tribal Organizations	September
HHS	Child Care	State agencies, tribes, local child care providers	December ³¹
HHS	Disease monitoring and the ability to issue warnings	State public health agencies, state and territorial public health laboratories, FDA, USDA	Completed
HUD	Community Development Block Grants	Treasury, Prospective Grantees, Grant Recipients	August
HUD	Public Housing	Treasury, Public Housing Authorities	October
HUD	GNMA (Housing loans)	Issuers, Treasury, Chase Manhattan Bank	August
HUD	FHA Insurance	Treasury, Lenders, Borrowers, Financial Agents	August
	Section 8	SSA, Lock Box (Mellon Bank), Owners/Agents, Housing	

³¹ The date refers to the latest information regarding the States' completion of Y2K systems testing of HHS programs.

³² HCFA internal systems and external Medicare claims processing systems completed testing and were certified compliant in April 1999. Recertification testing is now being conducted to certify that these software changes, made during the summer to fulfill legislative mandates, did not affect the achieved compliance of those systems.

Lead Agency	Program	Key Partners Identified	Date Testing to be Completed
HUD	Rental Assistance	Authorities, Treasury	August
OPM	Federal Retirement Programs	Treasury - Financial Management Service, Federal Reserve Board, USPS, Telecommunication Partners, National Association of Retired Federal Employees	October
OPM	Federal Employees' Group Life Insurance	Metropolitan Life Insurance Company	October
OPM	Federal Employees Health Benefits	The 285 participating Federal Employees Health Benefits Program Carriers	October
RRB	Retired Rail Worker Benefits	SSA, Treasury, Health Care Financing Administration	September
SSA	Social Security Benefits	Treasury - Financial Management Service, Treasury, Federal Reserve, USPS	Completed
State	Passport Applications and Processing	Mellon Bank, USPS, Government Printing Office, outside vendors, FedEx	Completed
Treasury	Cross-border Inspection Services	Other Government agencies, states, other governments, the Trade Community, banks and other commercial organizations	October
USDA	Food Stamps	All states and territories with Automated Data Processing (ADP) Systems	November ³³
USDA	Special Supplemental Nutrition Program for Women, Infants, and Children	All states and territories with Automated Data Processing (ADP) Systems	December ³³
USDA	Food Safety Inspection	States, FDA	September
USDA	Child Nutrition Programs	All states and territories with Automated Data Processing (ADP) Systems	December ³³
USPS	Mail Service	Postage meter manufacturers, Citibank, commercial banks, Federal Reserve	October

³³The date refers to the latest information regarding the States' completion of Y2K systems testing of USDA programs.

Lead Agency	Program	Key Partners Identified	Date Testing to be Completed
VA	Veterans' Benefits	Treasury - Financial Management Service	Completed
VA	Veteran's Health Care	VistA, Treasury, DoD	Completed

WORK WITH THE STATES

Status of Data Exchanges

Since October 1997, the Federal CIO Council and the National Association of State Information Resource Executives (NASIRE) have been working closely to ensure that data exchanges between the States and the Federal government will work. A total of 287 exchanges have been identified between Federal agencies and the States, and 276 exchanges (96 percent) are now Y2K compliant.

As of this report, 17 agencies have made 100 percent of their data exchanges with the States Y2K compliant and have successfully tested them on both sides, or have successfully bridged the data exchanges with both parties concurring. These agencies are the Departments of Agriculture, Commerce, Education, Energy, Health and Human Services, Housing and Urban Development, Interior, Labor, and Veterans Affairs; and the U.S. Agency for International Development, the Federal Emergency Management Agency, the General Services Administration, the Nuclear Regulatory Commission, the National Science Foundation, the Office of Personnel Management, the Social Security Administration, and the U.S. Postal Service.

The remaining agencies must still complete work on 11 data exchanges as follows: Defense must complete work on four of its 10 exchanges, Transportation on one of nine, Treasury on four of six, EPA on one of 28, and NASA on one of one. In many cases, the Federal agencies are dependent upon State action to finalize compliance.

Status of Ten Key, Federally Supported, State-run Programs

OMB has asked Federal agencies to work closely with the States and Territories to ensure that programs managed and run by these entities, but funded at the Federal level, will continue to function smoothly through the year 2000. Of particular importance are ten key programs,³⁴ which are a subset of the High Impact list due to their importance to public health, safety, and well-being. Table 6 provides additional information on these programs. These programs are:

- Food Stamps.
- Child Nutrition Programs.

³⁴ See Appendix B for program descriptions.

- Women and Infants with Children (WIC).
- Medicaid/MMIS (Medicaid Management Information System) & Medicaid/IEVS (Income Eligibility and Verification System).
- Temporary Aid for Needy Families (TANF).
- Child Support Enforcement.
- Low Income Housing Energy Assistance Program (LIHEAP).
- Child Care.
- Child Welfare.
- Unemployment Insurance.

The three Federal agencies responsible for these ten programs, USDA, HHS, and DOL, provided information on the status of these programs, based on submissions from the States and Territories, which is summarized in Table 6. Dates in this table refer to the date when each State or Territories' systems supporting the program will be Y2K compliant. Compliant here indicates the date when the State or Territory has determined when its systems will be able to provide services, whether directly or indirectly, to beneficiaries. In some cases, estimated dates have passed, but confirmation of completion has not yet been received from the Federal agencies.

**Table 6 -- Readiness by State for
Ten, Key, Federally Supported, State-Run Programs**

NOTE:

C indicates that testing has been completed and the Federal agency reports the program is Y2K compliant.

NA indicates that the State reported that the data requested were not applicable to them.

NI indicates that no information was reported by the Agency.

NP indicates that no program exists for the State or Territory.

State or Territory	USDA ³⁵			HHS ^{36,37}							DOL ^{38,39}
	Food Stamps	Child Nutrition Programs	WIC	Medicaid		TANF	Child Support Enforcement	LIHEAP	Child Care	Child Welfare	Unemployment Insurance
				MMIS	IES						
Alabama	Nov	Aug	Nov	Oct	C	Nov	Dec	C	C	Oct	C
Alaska	C	C	C	July	May	Aug	Sept	Aug	Oct	Nov	C
Arizona	C	C	C	June	June	C	C	C	C	C	C
Arkansas	Sept	C	C	Oct	Oct	C	Sept	C	C	Sept	Sept
California	Sept	C	C	June 98	Dec 98	Dec 98	Nov	NI	NA	Dec 98	Oct
Colorado	C	C	C	June	June	June	June	NI	June	June	C
Connecticut	C	Sept	C	C	C	C	C	Sept	C	Nov	Sept

³⁵ Data current as of 8/99.

³⁶ Data current as of 8/99.

³⁷ HHS has not verified State reported information so reported compliance (C) or past compliance dates have not been confirmed. Past dates could indicate the State reported date of completion or projected completion. Currently, HHS is conducting on-site visits to assess the Y2K readiness of the programs.

³⁸ Data current as of 8/9/99.

³⁹ DOL reports that "compliant" means that the State UI office has implemented any necessary Y2K fixes but has not necessarily completed IV&V.

	USDA ³⁵			HHS ^{36,37}							DOL ^{38,39}
State or Territory	Food Stamps	Child Nutrition Programs	WIC	Medicaid		TANF	Child Support Enforcement	LIHEAP	Child Care	Child Welfare	Unemployment Insurance
				MMIS	IES						
Delaware	C	C	C	May	Oct	Dec 98	Dec 95	July	Dec 98	Dec 95	C
District of Columbia	Sept	C	C	Oct	May	NI	NI	Oct	NI	NI	Dec
Florida	C	C	C	June	Dec 98	Aug 98	Nov 98	C	July	Aug 98	C
Georgia	Nov	C	Dec	Nov	Oct	Oct	C	C	NI	NI	Sept
Guam	Sept	C	Oct	NI	NI	NI	NI	NI	NI	NI	NP
Hawaii	C	C	C	Dec 98	Nov 98	Nov 98	C	NI	June	April	Sept
Idaho	C	C	Oct	Dec 97	Sept 98	Oct 98	March	NI	Nov	Dec 98	C
Illinois	Oct	C	C	Aug	June	Sept	Dec	C	C	July	C
Indiana	C	C	C	Sept	Sept	C	C	NA	C	C	C
Iowa	C	C	Nov	June	June	April	NI	NI	March	March	C
Kansas	Aug	C	C	Nov 98	June	May	May	C	Jan	Sept 98	C
Kentucky	C	C	C	C	C	C	C	C	Nov	C	C
Louisiana	C	C	C	C	C	C	C	NI	C	C	C
Maine	C	C	C	May	May	March	March	July	NA	April 98	C
Maryland	C	Dec	C	Aug	C	C	C	C	C	C	C
Massachusetts	C	C	C	Aug	C	C	C	C	C	C	C
Michigan	Aug	C	C	C	Sept	C	C	C	C	C	C
Minnesota	C	C	C	C	C	C	C	Aug	NA	Sept	C
Mississippi	C	Oct	C	C	C	C	C	NI	NI	C	C
Missouri	C	Sept	C	C	C	C	C	C	C	C	C

	USDA ³⁵			HHS ^{36,37}							DOL ^{38,39}
State or Territory	Food Stamps	Child Nutrition Programs	WIC	Medicaid		TANF	Child Support Enforcement	LIHEAP	Child Care	Child Welfare	Unemployment Insurance
				MMIS	IES						
Montana	C	C	C	C	C	C	Aug	C	C	C	Sept
Nebraska	C	Dec	C	July	Dec 97	July	June	NI	July	July	Oct
Nevada	C	Sept	C	July	July	Sept	Sept	NI	June	July	C
New Hampshire	Oct	C	C	Aug	Oct	Dec 98	Oct	NI	C	C	Sept
New Jersey	C	C	Sept	Aug	July	C	C	C	Sept	C	C
New Mexico	C	Aug	C	Sept	C	C	Oct	C	NI	NI	C
New York	C	C	C	C	C	C	C	C	C	C	Sept
North Carolina	Sept	C	Sept	C	Sept	Sept	Oct	C	C	C	Sept
North Dakota	C	C	C	C	C	C	C	Oct	C	C	C
Ohio	Oct	July	C	Oct	C	C	Sept	Aug	C	C	C
Oklahoma	Nov	C	Nov	Sept	Sept	Oct	Nov	NI	Oct	Oct	C
Oregon	C	Oct	C	C	C	C	Sept	NA	C	C	C
Pennsylvania	C	C	C	C	C	C	C	C	C	C	C
Puerto Rico	C	C	C	C	C	Aug	C	Sept	Sept	Aug	Sept
Rhode Island	C	C	C	C	C	July	C	NI	July	Nov	C
South Carolina	C	Aug	C	Sept	C	C	Nov	C	C	Oct	C
South Dakota	C	C	C	C	C	C	C	C	C	C	C
Tennessee	C	C	C	C	C	C	Sept	NA	Nov	Oct	C
Texas	Aug	Aug	C	C	C	C	Sept	C	C	C	C

	USDA ³⁵			HHS ^{36,37}							DOL ^{38,39}
State or Territory	Food Stamps	Child Nutrition Programs	WIC	Medicaid		TANF	Child Support Enforcement	LIHEAP	Child Care	Child Welfare	Unemployment Insurance
				MMIS	IES						
Utah	C	C	C	Dec 98	Nov 98	July 98	Oct	C	July 98	Oct	Sept
Vermont	C	C	C	C	C	C	C	C	C	C	Oct
Virgin Islands	Nov	C	C	NI	NI	NI	NI	NI	NI	NI	C
Virginia	C	C	C	C	Sept	Sept	Aug	Sept	NA	Sept	C
Washington	C	Sept	C	C	C	C	C	C	C	C	C
West Virginia	C	C	Oct	C	C	C	C	NI	C	C	C
Wisconsin	C	C	C	July	Dec 98	March	March	C	March	June 98	C
Wyoming	C	C	C	April	Dec 98	Dec 98	Dec 98	NI	Dec 98	Dec 98	C

DISTRICT OF COLUMBIA

The District of Columbia has received \$107.5 million of Federal funds to remediate its systems. The District of Columbia's Year 2000 efforts encompass 68 agencies. Eighteen of those agencies have been identified as delivering mission critical programs. The District's progress plan requires all systems to be implemented by November 25. Approximately 50 percent of the 203 mission critical systems are compliant.

More than fifty contingency plans have been developed for the eighteen mission critical agencies. In addition, interagency groups are working to develop government-wide plans based on four functional areas: Public Safety, Finance, Health and Human Services, and Education. These plans will focus on business processes that cut across agencies or dependent services. Several agencies have finished the development of all their plans. These agencies include the Metropolitan Police Department, Fire and Emergency Medical Services, the Emergency Management Agency, the Water and Sewer Authority, the Department of Health, the Office of the Chief Financial Officer, and D.C. General Hospital. Testing of District plans is scheduled to be completed by the end of September 1999.

It is important to note that a number of services that are critical to the District are provided by quasi or non-governmental entities. Both electricity, provided by Pepco, and Metrorail and Metrobus, provided by Washington Metropolitan Transit Authority (WMATA), have their own Year 2000 efforts underway. Pepco and WMATA have indicated that they do not anticipate any significant problems associated with the transition to the year 2000. Both have Y2K status updates on their web pages. The Water and Sewer Authority (WASA) is an independent agency within the District that has chosen to participate in the District's Y2K program. WASA has remediated all of its critical systems and has developed and tested its contingency plans.

V GOVERNMENT WIDE PROGRESS

GOVERNMENT WIDE INITIATIVES

Telecommunications Systems

GSA manages contracts under which telecommunications equipment and services are acquired for other Government agencies. GSA owns equipment that provides local telecommunication services to Federal agencies at consolidated locations throughout the United States. Also, GSA acquires telecommunications services and resells those services to other agencies. Like the private sector, Federal agencies are reliant upon commercial vendors and the information they supply regarding Year 2000 (Y2K) compliance of their telecommunications systems.

The Telecommunications Subcommittee of the CIO Committee on Y2K is chaired by GSA's Federal Technology Service (FTS). The Subcommittee is working with industry to ensure that the telecommunications services and systems provided to the Federal Government are Y2K compliant. All GSA Consolidated Systems, which provide local telecommunications services (including hardware, licensed proprietary software, and features such as voice mail) to Federal agencies nationwide, have been renovated. In addition, in the Washington Metropolitan Area, the Washington Interagency Telecommunications Systems, which provides approximately 170,000 analog and digital lines supporting both data and voice applications to Federal agencies, was made Y2K compliant in July 1998.

The equipment supplied under the Federal Wireless Telecommunications Service has been certified compliant by GTE. All GSA-maintained, Government wide contracts for Wire and Cable Service; Electronic Commerce, Internet, and E-Mail Access; and Technical and Management Support contain Y2K compliance clauses.

A Web site, <http://y2k.fts.gsa.gov>, lists the compliance status of telecommunications equipment and has links to some 60 industry sites containing Y2K compliance information.

Buildings Systems

GSA, through its Public Buildings Service and as chair of the Year 2000 Buildings Subcommittee of the CIO Council's Year 2000 Committee, has spearheaded the effort to find and correct problems with buildings across government. Many products or systems in buildings, such as those that control or interact with security systems, elevators, or heating and air conditioning systems, contain embedded chips. These chips could include a date function that helps run the system -- for example, to time maintenance procedures or to regulate temperature. If this date function is not Y2K compliant, then the chip may not work. Although the process of identifying, testing, and replacing these chips is rather complex because of the large numbers of chips in use and because chip manufacturers do not closely track how these chips are programmed and used, extensive testing has indicated that this issue is not a significant risk for Federal buildings.

Findings to date indicate that elevators in Federal buildings are not at significant risk. Year 2000 issues identified with elevators are limited to monitoring functions only and do not affect operational performance. For the most part, the only problems to date have been found within energy management control systems and security systems.

However, even if any problems do arise, it is expected that Federal buildings will remain operational. Nearly all building systems allow for manual override capabilities for security, air, heating, and energy management systems. As a result, should any Y2K problems arise in building systems, GSA expects that this will impose a greater workload on building managers and on the individuals who maintain the building systems, but that any problems will remain largely invisible to building occupants.

GSA is making many of the Subcommittee's findings publicly available. First, GSA has established a public web site [<http://y2k.lmi.org/gsa/y2kproducts/>] that provides Y2K information for building systems. There are now over 14,000 products listed on this site, and approximately five percent of all products are identified as non-compliant. Another web site has been established that allows personnel from Federal agencies to determine the Y2K compliance status of Federally owned and leased facilities. This site is for Federal Government use only.

The Year 2000 Buildings Subcommittee of the CIO Council continues to meet monthly and exchange information across the Federal Government. The focus for the remainder of the year will be on continuing contingency planning and Day One preparations, as well as resolving issues in areas such as utilities and local government issues. The Committee is working with all Federal agencies, regardless of whether the agency operates in GSA owned/managed space or owns/manages its own space.

Biomedical and Laboratory Equipment

In its effort to safeguard patients, the FDA, in addition to providing information on medical devices and scientific laboratory equipment through the Y2K Biomedical Equipment Clearinghouse, has taken additional actions to prevent patient harm. Actions taken this past quarter include the following:

- The FDA has posted on its web site a list of 83 computer-controlled medical devices that may pose serious consequences for the patient should a date related problem affect the functionality of the device. Inclusion of a type of device on this list does not necessarily mean that all devices of that type will have a Y2K date problem, or that if they are non-compliant they necessarily pose a risk to patients. FDA will use this list to identify those devices and manufacturers that would present the most serious risks to patients if they experienced a Y2K -related failure. The FDA will update this list as necessary.
- The FDA has initiated a study of the effect of Y2K on computer-controlled, potentially high risk devices. The FDA has contacted randomly-selected manufacturers of these devices to examine their Y2K procedures and records, both to better determine the level of risk and to validate any Y2K corrections. The FDA will prepare a report of this study for the Congress, the GAO, and the public with aggregate results to address the likelihood of failure in these devices. The FDA expects to complete the study report in October 1999 and plans to follow up with manufacturers on remediation.
- The FDA has issued a memorandum to remind hospital and health care facility administrators, risk managers, and biomedical and clinical engineers about Y2K remediation and the requirement for contingency planning. The memorandum also reminds them to report any adverse events, regardless of cause, to the FDA and the manufacturer in the case of deaths and to the FDA and the manufacturer in the case of injuries. This memorandum also presents information to assist in contingency planning such as the Department of Veterans Affairs' Y2K contingency planning guide and several related web sites.

- The FDA has issued a Y2K readiness survey of manufacturers of essential medical supplies. This survey covers a wide range of aspects of Y2K planning. The FDA expects biomedical equipment manufacturers to thoroughly review and test all computer systems, including those involved in the supply, manufacturing, and distribution of products; to have contingency plans in place; and to monitor customer demand and ensure that unusual ordering does not compromise product availability to customers.
- The FDA has issued a letter to manufacturers regarding ensuring the availability of safe and effective biological products, such as blood, to Americans. The letter urges manufacturers to contact their suppliers to take steps to avoid a disruption in the supply chain.
- The General Services Administration has issued a bulletin to the heads of Federal agencies on how to dispose of non-compliant biomedical equipment and information technology equipment. Under the terms of this bulletin, compliant medical devices may be donated to other organizations. However, Y2K non-compliant equipment on FDA's "critical list" may not be donated but must be destroyed, unless the potential recipient agrees to bear the cost of repair and provides assurance that the equipment will be repaired and tested. Information technology equipment may be disposed of through normal procedures, but it must be clearly identified by the holding agency as Y2K compliant, non-compliant, or Y2K status unknown.

Other Information Sharing Initiatives

U.S. Federal Government Gateway for Year 2000 Information Directories

The U.S. Federal Government Gateway for Year 2000 Information Directories web site [<http://www.itpolicy.gsa.gov>, then click on the Year 2000 icon] is managed and maintained by GSA on behalf of the CIO Council. It is intended to assist Federal agencies in addressing the Year 2000 problems and is routinely updated and enhanced to provide timely information. The web site was recognized in June 1998 and again in January 1999 by the Dow Jones Business Directory for the quality and wealth of information it provides. The site also provides links to various organizations' Y2K readiness disclosures and compliance statements that are being published in response to the recently enacted Y2K Information and Readiness Disclosure Act. A "Frequently Asked Questions" section was recently added using some of the most commonly asked questions that have been received to date. Finally, the site contains links to other important Year 2000 sites, including the President's Council on Year 2000 Conversion, the CIO Council Information Directory on Y2K, an International Directory containing links to other countries' sites, and an ongoing international virtual conference on Y2K.

Database of Compliant COTS Products

The Commercial, Off-the-Shelf (COTS) Products database, managed and maintained by GSA, is continuously updated with Y2K product compliance information. The average number of accesses to the database is 16,000 per week. It includes information from 780 vendors and 95 Federal agencies on 2,375 products. A total of 21 agencies have provided test data to the database, located at <http://y2k.policyworks.gov>.

VALIDATION AND VERIFICATION EFFORTS

Validation involves multiple phases of testing, including a combination of testing of individual components (unit testing), testing of entire systems (integration or systems testing), and in some cases, testing of a string of interdependent systems, including those outside of the organization (end-to-end testing). Agencies do not deem a system to be compliant until it has been thoroughly tested and fully deployed.

Once a system has been made compliant, it is important to have in place change management policies to assure that future changes do not introduce Y2K problems. All agencies have indicated that they have such change management policies in place to ensure that no unnecessary systems' changes take place and to ensure that any changes that do occur are tested and retested to ensure that no Y2K risks enter the system. Many agencies are planning to prohibit all changes during the last months of the year.

In addition, all agencies are required to independently verify and validate (IV&V) testing results. Senior management in the agencies are now relying on IV&V testing to provide a double-check that their mission critical systems will, in fact, be ready. Agencies are relying on a combination of their Inspectors General, contractors, and, in some cases, independent experts from other agencies to verify agencies' testing results. Some agencies (e.g. NASA and the Department of Transportation) have applied more rigorous testing protocols to those systems that could have a direct impact on safety. While such rigorous testing slows progress, it nevertheless provides a higher degree of assurance that such systems will not fail. Also many agencies are taking advantage of newer and better testing products to re-test their computer code and provide a double-check that no Y2K problems exist.

INTERNATIONAL EFFORTS

The Department of State estimates that there are over 40,000 U.S. civilian government employees located overseas. While most of these are employees of the State Department, Peace Corps, the U.S. Information Agency, or the U.S. Agency for International Development, a number of other agencies have some presence as well. These agencies are a diverse group and include the Departments of Commerce, Defense, Treasury, Agriculture, and Justice; the Social Security Administration; and the Library of Congress. Unlike State Department employees, personnel from other agencies may not be located at the embassy or consulate.

In its most recent report, the President's Council on Year 2000 Conversion found that some nations, particularly those that are less developed, face a real possibility of failure or disruption in their telecommunications and utility infrastructures. While the Diplomatic Telecommunications Service--Program Office (DTS-PO) has taken the lead on ensuring that reliable telecommunications services are available at State Department facilities, they cannot ensure the continuity of telecommunications services provided by the host nation to U.S. government offices located away from the post or embassy. Similarly, posts, embassies, and government offices are subject to uncertainties in the provision of utility services such as electricity and water.

Recognizing the possibility of Year 2000 failures overseas, the Secretary of State in 1998 required that the Head of the State Department Mission in each nation create a Mission Year 2000 Committee to work with other U.S. Government agencies to assess the potential for failure of the host nation's infrastructure. A crucial concern for the State Department has been the development of contingency plans for all embassies and consulates that address the safety and security of staff and dependents, the integrity and security of facilities, and the continuation of core mission functions, including American citizen services. Such contingency planning includes all agencies represented at each post. Under the leadership of the State Department, each Committee has developed an assessment of its country risk and is helping each agency represented to develop a BCCP according to that risk assessment. In addition, there is a forum for information sharing concerning international Y2K issues at a policy level, the International Interagency Working Group (IIWG), co-chaired by the Departments of State and Defense.

The State Department is also leading an effort to assess the readiness for the Year 2000 of countries worldwide. Embassies' reports on country readiness have been received by the Department and are under review. A general Y2K notice was issued in July to warn citizens about possible failures that could be encountered when abroad. The notice also included advice to travelers on how to minimize their risk. In addition, the U.S. Department of Transportation is reviewing and evaluating information about the Y2K readiness of foreign air traffic service providers, foreign airports, and foreign air carriers flying into and out of the United States. Citizens will be able to access the information starting in September.

COSTS AND FUNDING

Agencies now estimate they will spend \$8.34 billion fixing the problem from Fiscal Year 1996 through Fiscal Year 2000. This includes expenditures in FYs 1996 - 1998 of \$3.50 billion and estimates of an additional \$4.83 billion through FY 2000 (See Appendix A, Table 3.). Funding in FY 2000 will support completion of final contingency plans, agency Y2K project office operations, and other agency activities to monitor and manage the transition into 2000. In total, costs have increased by \$287 million (3.6 percent) from the June-reported estimate of \$8.05 billion. To the extent that agencies encounter additional requirements, these estimates may continue to rise.

For the most part, these increases can be attributed to:

- Refinement of estimates as agencies move through validation and implementation phases

and decide to increase testing and independent verification activities.

- Discovery that some systems need more work, including hardware replacement, during independent validation.
- Refinement of business continuity and contingency plans.
- Decisions to repair legacy systems in case those systems are not replaced on time and other contingency efforts.
- Improved assessments of the costs associated with managing and monitoring the transition into 2000.

In order to address unanticipated costs associated with Y2K, the Omnibus Consolidated and Emergency Supplemental Appropriations Act for Fiscal Year 1999 (P.L. 105-277) included contingent emergency funding for Y2K computer conversion activities: \$2.25 billion for non-defense activities and \$1.1 billion for defense-related activities. P.L. 105-277 makes the Director of the Office of Management and Budget responsible for allocating non-defense funding and makes the Secretary of Defense responsible for allocating defense-related funds. (See Appendix A, Table 4 for detail on contingent emergency funding allocated to date.)

In order to determine how best to allocate all available non-defense funding for Y2K -- both base appropriations and emergency funding -- OMB has worked with agencies to evaluate Y2K requirements. First, OMB made certain that agencies received funding for activities that were requested in the President's Fiscal Year 1999 Budget but that Congress directed be funded from the Y2K contingent emergency reserve. These activities totaled approximately \$590 million. Additionally, OMB has approved the release of approximately \$1.381 billion in emergency funding for unforeseen requirements that can not be accommodated within agencies' FY 1999 appropriated levels. In total, \$292 million remains available for non-defense agencies to address emerging requirements (this total includes \$14 million that was allocated to the Department of Energy but was not transferred).

All of the \$1.1 billion allocated for the Department of Defense's unanticipated requirements has been released. The Department of Defense has indicated that, within appropriated levels for FY 1999 and expected levels for FY 2000, resources will remain available to address emerging requirements.

Additional transfers from the contingent emergency reserve will be made in the future to ensure that all agencies have sufficient resources to achieve Y2K compliance and complete contingency planning. OMB has notified agencies that, as they identify unforeseen funding requirements, they should forward these requirements to OMB for evaluation. OMB also intends to work with agencies and Congress to determine whether additional funds or authority are needed to address emerging requirements as the date change approaches.

Appendix A
Table 1
Progress on Status of Mission Critical Systems

	Total Number	Number Compliant	Percent of Total	Number Being Replaced	Number Still Being Repaired	Number Being Retired
Agriculture	349	341	98%	3	0	5
Commerce	473	472	99%	1	0	0
Defense	2253	2084	92%	18	141	10
Education	14	14	100%	0	0	0
Energy	420	416	99%	0	1	3
HHS	283	280	99%	1	1	1
HUD	57	57	100%	0	0	0
Interior	90	90	100%	0	0	0
Justice	217	210	97%	2	5	0
Labor	61	61	100%	0	0	0
State	59	59	100%	0	0	0
Transportation	609	604	99%	0	5	0
Treasury	338	319	94%	8	9	2
VA	318	318	100%	0	0	0
AID	7	6	86%	0	1	0
EPA	53	53	100%	0	0	0
FEMA	47	47	100%	0	0	0
GSA	58	58	100%	0	0	0
NASA	156	156	100%	0	0	0
NRC	7	7	100%	0	0	0
NSF	17	17	100%	0	0	0
OPM	107	107	100%	0	0	0
SBA	42	42	100%	0	0	0
SSA	308	308	100%	0	0	0
TOTAL	6343	6126	97%	33	163	21

Appendix A
Table 2
Agency Year 2000 Cost Summary⁴⁰ (in millions)

	1996	1997	1998	1999	2000	TOTAL
Agriculture	2.5	15.1	63.6	95.9	9.8	186.9
Commerce	2.6	12.4	35.6	71.1	6.6	128.3
Defense	23.0	388.0	1199.4	1931.6	101.8	3643.8
Education	0.1	1.4	19.6	18.7	4.3	44.1
Energy	1.0	20.0	84.9	109.4	19.3	234.6
HHS ⁴¹	7.2	32.2	190.9	408.2	165.2	803.7
HUD ⁴²	0.7	6.9	20.8	28.7	11.3	68.4
Interior	0.2	2.8	10.6	144.8	0.7	159.1
Justice	1.6	7.5	33.6	120.2	1.9	164.8
Labor	1.7	4.9	13.2	33.9	8.9	62.6
State	0.5	49.3	63.1	86.7	6.8	206.4
Transportation ⁴³	0.4	11.3	121.9	220.4	20.7	374.7

⁴⁰ These estimates do not include the Federal share of costs for State information systems that support Federal programs. For example, the Agriculture total does not include the potential 50 percent in Federal matching funds provided to States for Food and Consumer Services to correct their Y2K problems.

⁴¹ HHS' FY 2000 costs will likely be between \$165 million and \$270 million. The \$165 million shown reflects the Administration's budget request. HHS' total FY 2000 Y2K cost estimate to OMB, however, includes over \$300 million in potential costs of implementing HCFA contingency and business continuity plans -- reaching a total of \$476 million in their May 99 quarterly report to OMB.

⁴² The agency estimate for FY 2000, including contingency implementation, ranges from \$11 million to \$21 million.

⁴³ This estimate does not include \$72 million in non -Y2K costs for HOST computer replacement, of which \$52 million was provided from the Information Technology Systems and Related Expenses account, the Y2K

Treasury ⁴⁴	8.4	200.2	592.7	605.3	287.6	1694.2
VA	3.3	22.0	63.7	108.4	34.0	231.4
AID	1.1	3.0	21.8	20.0	3.2	49.1
EPA	0.8	5.3	11.5	22.3	1.0	40.9
FEMA	3.8	4.4	3.0	13.1	0.5	24.8
GSA	0.2	0.8	8.7	83.2	0.0	92.9
NASA	0.1	6.2	34.2	15.8	1.4	57.7
NRC	0.0	2.4	4.0	1.9	0.1	8.4
NSF	0.0	0.1	0.6	0.3	0.0	1.0
OPM	1.7	2.1	9.2	3.6	0.3	16.9
SBA	1.7	3.3	2.7	2.4	0.5	10.6
SSA	2.2	13.3	13.9	7.1	3.0	39.5
TOTAL	64.8	814.9	2623.3	4153.0	688.9	8344.8

emergency fund.

⁴⁴ This estimate does not include \$91.7 million in non-Y2K costs funded from the Information Technology Systems and Related Expenses account.

Appendix A
Table 3a
Status of Y2K Contingent Emergency Funding in FY 1999 ⁴⁵
(budget authority, in thousands of dollars)

Large Agencies	Y2K Contingent Emergency Funding
Agriculture	52,703
Commerce	61,586
Defense	1,100,000
Education	5,298
Energy ⁴⁶	37,490
HHS	323,858
HUD	14,580
Interior	123,720
Justice	93,998
Labor	20,782
State	78,571
Transportation	198,960
Treasury	650,957
USAID	11,410
EPA	3,695
FEMA	12,239
GSA	77,929
SBA	4,840
OPM	2,428
Other	
Legislative and Judicial Branch	29,917

⁴⁵ For agencies that appear in Appendix A, Table 2, emergency funding is included within cost estimates on Table 2 (except where emergency funding has been directed for non-Y2K costs, as specified in footnotes 29 and 30). For agencies not listed in Appendix A, Table 2, emergency funding is included in Table 3 (Small and Independent Agency Progress) of the report.

⁴⁶ Includes \$13.65 million that was allocated to the Department of Energy but was returned to the emergency fund.

District of Columbia	84,110
DC Courts	2,553
Court Services and Offender Supervision - DC	848
SubTotal	2,992,472

Appendix A
Table 3b
Status of Y2K Contingent Emergency Funding in FY 1999
(budget authority, in thousands of dollars)

Small Agencies	Y2K Contingent Emergency Funding
Access Board	60
African Development Foundation	137
Commodity Futures Trading Commission	356
Com. for Purchase	65
Consumer Products Safety Commission	75
Corp for National and Community Service	800
EXOP/Office of Administration	29,791
EXOP/USTR	498
Export Import Bank	400
FCC	8,516
Federal Labor Relations Authority	243
FTC	2,599
Marine Mammal Commission	38
Merit Systems Protection Board	66
NARA	6,662
National Capital Planning Commission	381
National Labor Relations Board	348
Office of Special Counsel	100
OPIC	2,100
Peace Corps	1,554
RRB	398
SEC	8,175
Selective Service System	250
Smithsonian	4,700
National Gallery of Art	165
US Holocaust Memorial Council	900
USIA	9,562
SubTotal	78,939

Appendix B

Descriptions of Ten Key, Federally Supported, State-run Programs

Food Stamps

The Food Stamp Program provides low-income households with coupons or with electronic benefits transfer (EBT) cards to ensure that they have access to food. The critical automated systems that are involved in the transfer of Federal funds to States and include systems that enable the States to issue coupons or EBT cards, monitor eligibility, track EBT expenditures, and process data for reporting purposes. USDA administers the Food Stamp Program through the Food and Nutrition Service (FNS), which distributes funds to the States. State agencies administer the program at State and local levels, including determination of eligibility and allotments.

Child Nutrition Programs

Child Nutrition Programs include the National School Lunch Program, the School Breakfast Program, the Special Milk Program, the Child and Adult Care Food Program, the Summer Food Service Program, and the Nutrition Education and Training program. All of these programs are administered by the Food and Nutrition Service at the USDA. These programs assist State and local governments in providing healthful, nutritious meals to children in public and non-profit private schools, child care institutions, adult day care centers, and summer recreational programs.

Special Supplemental Nutrition Program for Women, Infants, and Children

Popularly known as WIC, this program provides supplemental food, health care referrals, and nutrition counseling, for low-income pregnant, breast-feeding, and non-breast-feeding postpartum women, and to infants and children who are found to be at nutritional risk. More than 7 million people receive WIC benefits each month. The U.S. Department of Agriculture, through the Food and Nutrition Service (FNS), administers Federal grants to States. In turn, most State WIC programs provide vouchers that participants use at authorized food stores; 46,000 merchants nationwide accept WIC vouchers. Often, local organizations cooperate in providing the food and health care benefits. Federal systems support electronic benefits transfer of grants. State systems track expenditures and reconcile available funds.

Medicaid

Title XIX of the Social Security Act is a Federal-State matching entitlement program that pays for medical assistance for certain vulnerable and needy individuals and families with low incomes and resources. This program, known as Medicaid, became law in 1965 as a jointly funded cooperative venture between the Federal and State governments ("State" used herein includes the Territories and the District of Columbia) to assist States furnishing medical assistance to eligible needy persons. Medicaid is the largest source of funding for medical and

health-related services for America's poorest people. In 1997, it provided health care assistance to more than 34 million persons, at a cost of \$168 billion dollars. Within broad national guidelines established by Federal statutes, regulations and policies, each State: (1) establishes its own eligibility standards; (2) determines the type, amount, duration, and scope of services; (3) sets the rate of payment for services; and (4) administers its own program.

States use primarily two classes of systems for administering the Medicaid program. The first system is the Integrated Eligibility System (IES) which is used to determine whether an individual applying for Medicaid meets the eligibility criteria for participation. The second system is the Medicaid Management Information System (MMIS) which is used in claims processing and payment delivery for services rendered.

Temporary Assistance for Needy Families (TANF)

On August 22, 1996, President Clinton signed into law "The Personal Responsibility and Work Opportunity Reconciliation Act of 1996," a comprehensive bipartisan welfare reform plan that dramatically changed the nation's welfare system into one that requires work in exchange for time-limited assistance. The Temporary Assistance for Needy Families (TANF) program replaces the former Aid to Families with Dependent Children (AFDC) and Job Opportunities and Basic Skills Training (JOBS) programs, ending the federal entitlement to assistance. In TANF, states and territories operate programs, and tribes have the option to run their own programs. States, territories, and tribes each receive a block grant allocation with a requirement on states to maintain a historical level of state spending known as maintenance of effort. The total federal block grant is \$16.8 billion each year until Fiscal Year (FY) 2002. The block grant covers benefits, administrative expenses, and services. States, territories, and tribes determine eligibility and benefit levels and services provided to needy families.

Child Support Enforcement Program

The goal of the Child Support Enforcement (CSE) Program, which was established in 1975 under Title IV-D of the Social Security Act, is to ensure that children are financially supported by both their parents. The CSE Program recognizes the importance to children of access to their noncustodial parent and includes grants to help States establish programs that support and facilitate noncustodial parents' visitation with and access to their children. The CSE program is usually run by state and local human services departments, often with the help of prosecuting attorneys, other law enforcement agencies, and officials of family or domestic relations courts. The Child Support Enforcement Program provides four major services: locating noncustodial parents, establishing paternity, establishing child support obligations, and enforcing child support orders.

Low Income Home Energy Assistance Program

LIHEAP is a federal block grant program that assists eligible low income households in meeting their home energy needs. The Federal Government does not provide energy assistance benefits directly to individuals. Energy assistance is provided through LIHEAP grants made to the 50 States and the District of Columbia, Indian tribes and tribal organizations, and insular areas. LIHEAP funds can be used for the following types of energy assistance: heating assistance, cooling assistance, energy crisis intervention, and low-cost residential weatherization and other energy-related home repairs.

Child Care Program

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PL. 104-93) combined existing child care programs with different target populations into one block grant program with a single set of eligibility criteria and requirements. In 1999, the Child Care and Development Fund (CCDF) made available \$3.2 billion to States and Tribes. Tribes received approximately \$63 million for FY 1999. These funds support activities, authorized under the Child Care and Development Block Grant Act of 1990, to improve the quality of child care and to provide financial assistance to low-income families seeking child care so they can work or attend training or education programs.

Child Welfare Program

With an annual budget of over \$4 billion, the Children's Bureau works with State and local agencies to develop programs to assist America's children and their families. The Children's Bureau administers nine state grant programs and six discretionary grant programs. State Grant Programs include grants for foster care, adoption assistance, independent living for older foster children, family preservation and support services, child welfare services, prevention of medical neglect/disabled infants, and programs designed to improve the investigation and prosecution of child abuse and neglect cases.

Unemployment Insurance (UI) ⁴⁷

The Unemployment Insurance program is a Federal-State partnership which serves approximately 10 million unemployed workers annually. Direct program operations are the responsibility of 53 State Employment Security Agencies (SESAs) which determine claimant eligibility, issue payments, and provide assistance to workers and employers in accordance with the laws passed by the 50 States, Puerto Rico, the Virgin Islands, and the District of Columbia. The

⁴⁷ DOL and the SESAs have successfully met the unemployment insurance (UI) system's first major Year 2000 challenge.

Department of Labor oversees the administration of the program nationwide. Automated systems in the SESAs process benefits and taxes, maintain wage histories, and interface with many other automated systems.

Appendix C
Key Federal Web Sites on the Year 2000

Site	URL	Select
President's Council on Year 2000 Conversion	http://www.y2k.gov	Version
Federal CIO Council	http://cio.gov	Documents
Year 2000 Information Directory	http://www.itpolicy.gsa.gov	Year 2000 Directories
FDA--Biomedical and Laboratory Equipment	http://www.fda.gov/cdrh/yr2000/year2000.html	
Small Business Administration	http://www.sba.gov	Y2K
Year 2000 Compliant COTS Products	http://y2k.policyworks.gov	
GSA Telecommunications Information	http://y2k.fts.gsa.gov	
Year 2000 Status Vendor Product Database	http://globe.lmi.org/lmi_pbs/y2kproducts	Continue
Government wide Consumer Information	http://www.consumer.gov	Year 2000 Issues